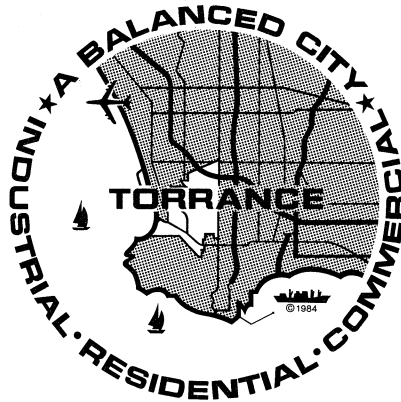


# **CITY OF TORRANCE**

## **1<sup>ST</sup> QUARTER BUDGET REVIEW**



**2007-08**



## AGENDA

### FINANCE AND GOVERNMENTAL OPERATIONS COMMITTEE

Date: Tuesday, November 6, 2007  
Time: 5:30 PM  
Place: Council Chambers  
Committee Members: Councilman Bill Sutherland, Chair  
Councilman Gene Barnett, Member  
Councilwoman Hope Witkowsky, Member  
Subject: 2007-08 First Quarter Budget Review

\*\*\*\*\*

OPENING REMARKS	Chair, Bill Sutherland
INTRODUCTION	Mary K. Giordano Assistant City Manager
1 <sup>ST</sup> QUARTER PRESENTATION	Eric E. Tsao Finance Director
INVESTMENT STATUS	Linda M. Barnett City Treasurer
QUESTIONS & DISCUSSION	Committee/Audience
SUMMARY	Mary K. Giordano
CLOSING REMARKS	Chair, Bill Sutherland

**(THIS PAGE LEFT INTENTIONALLY BLANK)**





Honorable Chair and Members  
of the Finance and Governmental Operation Committee  
City Hall  
Torrance, California

Members of the Committee:

**Subject: First Quarter 2007- 08 Budget Review**

**RECOMMENDATION**

The City Manager and the Finance Director recommend that the following items be approved by the Finance and Governmental Operations Committee and recommended to City Council for action:

- Accept the First Quarter 2007-08 Budget Review Report
- Accept the City Treasurer's Investment Report
- Approve the program modifications for the following departments: Community Services, Finance, Human Resources, Public Works and Transit
- Approve the capital projects program modifications for the following departments: City Manager, Community Development, Community Services, General Services and Human Resources.

**EXECUTIVE SUMMARY**

Revenues for the first quarter are projected to meet budget estimates and expenditures for all City departments are within budget guidelines. There has been a change in reporting for general fund revenues. To provide a more accurate picture of revenues, the major revenues are being budgeted monthly to reflect seasonal activity. By displaying seasonal activity, the budget reflects how much revenue is planned to be received instead of a straight percentage of the expired fiscal year. The City has received approximately 18% of fiscal year 2007-08 revenues compared to 19% for the 2006-07 year. The seasonal budget is projected to be \$27,689,998 at September 30, 2007 and actual revenues received were slightly higher at \$29,213,317.

Torrance continues to have a solid underlying economy. The City's tax and economic base includes a mix of high-end residential properties and a sizable commercial and retail component. The City had a large property tax base of \$22.2 billion in fiscal year 2007. The \$22.2 billion reflects a 7.1% increase over last year. The unemployment rate in the City of Torrance is 2.5% as of 09/30/07. The City's unemployment rate has historically fallen under both State and National averages of 5.1% and 4.7% respectively. Taxable sales for both the State of

**A Snapshot of Torrance**

Population: 147,405  
Peak Daytime Population (2 p.m.): 203,011  
Area: 21 Square Miles  
1453 Full-time Employees  
6 Fire Stations  
1 Police Station, 1 Police Substation &  
3 Police Community Centers  
241 Sworn Police Employees  
159 Sworn Fire Employees  
6 Public Libraries  
90,000 Street Trees  
550 Miles of Sidewalks  
46 Parks & Recreation Amenities

California and the City of Torrance have continued to increase and are projected to reflect a modest growth through the fourth quarter of calendar year 2008.

Year-end operations for the General Fund, fiscal year ended June 30, 2007, generated available carry-over of approximately \$11.7 million prior to commitments. The carry-over was generated from a positive revenue variance of \$7.7 million caused primarily from higher than projected property tax revenue derived from increases in real estate values, continued strong construction activity, and better than expected investment portfolio earnings. Approximately \$4.0 million was generated from expenditures of which \$3.3 million was due primarily from position vacancies and \$600,000 from unused material and professional services budgets.

#### **Budget Outlook/Budgetary concerns**

Fiscal Year ended June 30, 2007			
	Sources	Uses	Variance Favorable (Unfavorable)
<b>General Fund</b>	\$ 162,812,127	\$ 151,096,257	\$11,715,870
<b>Enterprise Funds:</b>			
Airport	11,070,853	8,518,905	2,551,948
Transit	20,242,457	18,087,709	2,154,748
Water	23,223,435	22,140,372	1,083,063
Emergency Medical	8,177,245	8,127,220	50,025
Sanitation	10,782,998	10,135,554	647,444
Cultural Arts	1,767,537	1,767,537	0
Sewer	2,914,034	1,626,340	1,287,694
Parks & Recreation	7,325,010	7,296,849	28,161
<b>Internal Services</b>			
Fleet -Operation	6,858,908	4,519,179	2,339,729
Self Insurance	4,286,566	4,965,151	(678,985 )

The economic forecast for California continues to project an overall growth in payroll by 1.2%. The 1.2% growth represents increases and decreases in various job categories with the net change resulting in a modest 1.2% overall growth. The economy's slowing is caused by the

LAO Forecast			
	2006	2007	2008
Personal Income	6.4	4.2	4.7
Wage Growth	2.8	0.8	1.6
Taxable Sales	5.3	4.4	4.8
Permits	163,300	130,000	134,100
CPI	3.9	2.8	2.0

lagging housing market, foreclosures and the lack of liquidity in the markets as a whole. The demand for housing is down in Los Angeles County, which is reflected by the drop in home sales by 20%. Typically, as demand decreases, inventories will build which will then put downward pressure on price. On October 31, 2007, the Federal Reserve lowered the federal funds rate by 25 basis points (0.25%) to 4-1/2%. Per the Federal Reserve, "Economic growth was solid in the third quarter (calendar), and strains in the financial markets have eased somewhat on balance. However, the pace of economic expansion will likely slow down in the near term, partly reflecting the intensification of the housing correction. Today's action, combined with the policy taken in September, should help forestall some of the adverse effects on the broader economy that might otherwise arise from the disruptions in financial markets and promote moderate growth overtime". Essentially the Federal Reserve feels the upside risks to inflation have been trumped by the downside risks to growth.

The decline in housing prices is concerning. Many counties in California, including Los Angeles are bracing for requests for re-assessment and the decline in value of the property tax rolls. Torrance has not seen month over month last year home values decline, in contrast the August 2007 compared to August 2006 increased by over 7.8%. Over the past couple of years, property taxes have been projected to grow by about 4%. Property tax is the City's third largest revenue source for the General Fund and will be monitored closely in case actual receipts begin to fall below current year projections.

Another area of concern exists that relates to retail sales. As the economy softens and consumer confidence erodes the large ticket items and holiday sales may be adversely affected. In addition, holiday sales will most likely take another hit due to possible inventory shortages and product safety concerns for toys manufactured outside the United States.

Lastly, as reported at the mid-year 2006-07 Finance and Governmental Operations Committee meeting, concerns exist in the collection of Utility Users' Tax (UUT) on long distance telephone calls. The Federal Government implemented a policy which eliminated the Federal Excise Tax. Some telephone utility users' tax suppliers have made inquiries with regards of continuing to apply the City's UUT on long distance service. The City believes that the City's UUT ordinance still applies to long distance service. Staff has been in discussions with the League of California Cities, as well as legal counsel, on the potential impact of the Federal Government's change in policy. Recently, some cities have elected to change their existing UUT ordinance (by city council action) enhancing and redefining the intent of the telephone UUT with respect to long distant phone calls. Other cities (Hermosa Beach, Los Angeles and Pasadena) are placing the telephone tax on a ballot seeking voter's approval of the telephone UUT tax. Staff is exploring the best alternative for the City of Torrance and will keep your Honorable Body informed. As a reminder, the loss of revenue to the City's General Fund for the long distance component of the telephone UUT is projected to be approximately \$5-6 million annually.

**Program Modifications:** The following is a summary of the program modifications which is being submitted for your Honorable Body's approval. The specific detail of each modification request is included in the 1<sup>st</sup> quarter 2007-08 Budget Review Report (see Program Modifications Tab).

Community Services

- Convert Senior Aide to Library Page
- Day Camp
- Benstead Plunge

Finance

- Delete 1.0 Typist Clerk, add 1.0 Account Clerk

General Services

- Proposed organizational restructure of General Services, Fleet Services Division Administration

Human Resources

- Add 1.0 Human Resource Analyst
- Workers' Compensation

Public Works

- Promote 2.0 Semi Skilled Laborers to 2.0 Water Tech I
- Promote 1.0 Sr. Tree Trimmer to 1.0 Public Works

Transit

- Eliminate 0.8 Customer Service Representative

**Capital Projects Program Modifications:** The following is a summary of the capital projects program modifications which is being submitted for your Honorable Body's approval. These specific projects require consideration for funding at this time due to:

- the sensitivity of the projects
- mandated programs
- adversely affecting City operations
- priority of the City Council and/or
- supplementing an existing projects

The specific detail of each modification request is included in the 1<sup>st</sup> quarter 2007-08 Budget Review Report (see Capital Projects-Pgm Modifications Tab).

**City Manager**

- Community Redevelopment

**Community Development**

- One-Stop Center

**Community Services**

- Development of Lomita Right of Way
- Wilson Park Maintenance and Storage Building (FEAP 340)
- Replace branch libraries shelving-replace stacks (FEAP 623)
- Turf improvements at various City parks

**General Services**

- Police Department Communications electrical upgrade (FEAP 567)
- Underground storage tanks and related systems (FEAP 445)
- Automated Fuel Focus Management System

**Human Resources**

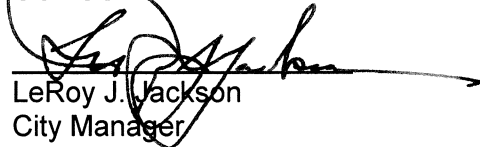
- ADA access compliance survey of City facilities
- Retrofit Police Department for ADA accessibility

Respectfully submitted,



Eric E. Tsao  
Finance Director

CONCUR:



LeRoy J. Jackson  
City Manager



**2007-08 BUDGET ANALYSIS  
PERIOD THREE  
GENERAL FUND REVENUE STATUS  
(Schedule A)**

The General Fund fiscal year 2007-08 budget estimate for revenues is \$163,624,807 of which \$29,213,317, or 17.9%, has been received through September 30, 2007 compared to \$29,519,242 or 18.9% in fiscal year 2006-07. This year projected revenues based on seasonal trend for the quarter ending September 30, 2007 is being provided so that actual revenue received can be compared to budget projections for the same time period. The seasonal budget renders more information as it informs the reader quarterly how much is planned to be received for a particular season.

The General Fund annual revenue budget is \$163,624,807. The seasonal budget (the amount projected to be received by September 30, 2007) is \$27,689,998. Actual revenues received as of September 30, 2007 totaled \$29,213,317. A positive seasonal variance exists for the first quarter in the amount of \$1,523,319. Quarterly variances cannot be assumed that they will exist at year end as each quarter has its own uniqueness and can vary considerably depending on outside influences such as a change in economy, gas prices, home prices, etc. Variance explanations are discussed in more detail in the revenue categories listed below.

The following schedules presents the City's key revenue sources, with comments as to their realization potential and a projection of under or over realization compared to budget by fiscal year-end.

	2006-07 As of 9/30/06 <u>Actual</u>	2007-08 Quarterly <u>Budget</u>	2007-08 Received as of <u>9/30/07</u>
<b>Tax Revenues:</b>			
Property Tax	\$ 3,147,626	\$ 2,444,685	\$ 1,870,873
Sales and Use Tax	7,562,157	8,062,622	7,926,562
Prop 172 Sales Tax	245,846	328,123	355,667
Utility Users Tax	8,609,034	8,916,539	8,907,449
Business License Tax	231,781	178,535	205,445
Franchise Tax	394,444	108,436	405,036
Occupancy Tax	1,750,792	1,969,516	1,921,168
Other Taxes	<u>617,450</u>	<u>200,756</u>	<u>525,255</u>
	<u>\$ 22,559,128</u>	<u>\$ 22,209,212</u>	<u>\$ 22,117,455</u>

**Property Tax:** As of first quarter, FY 2007-08 actual receipts totaled \$1,870,873 or 76.5%, of the seasonal budget has been received. Ideally, 100% of the seasonal budget is projected to be received as of 9/30/2007. The annual budget for property tax revenues including the triple flip is \$46.7 million. The majority of property tax revenues are received in December and April. Although the first quarter receipt pattern is below projections, it is too early to suggest any change. As mentioned previously, this is the first year that revenues are being projected based on trend analysis. This revenue source will be monitored and adjustments will be presented for discussion if warranted at mid-year.

**Sales Tax:** Sales tax is the City's largest revenue source prior to adjustments for the triple flip. After adjusting this revenue source for the triple flip, sales tax revenue declines to the third revenue source of the general fund. Sales tax revenues are derived from multiple sources.

The following segment information is being provided as a tool to assist Council in understanding the source of the City's sales tax revenues.

<b>Sales Tax by Category July 2007 – September 2007</b>		<b>Sales Tax by Economic Segment July 2007 – September 2007</b>	
<b>Category</b>	<b>Percentage</b>	<b>Segment</b>	<b>Percentage</b>
Auto Sales - New	18.8%	General Retail	37.3%
Department Stores	12.6%	Transportation	27.8%
Restaurants	8.8%	Business to Business	16.0%
Miscellaneous Retail	9.0%	Food Products	12.3%
Furniture/Appliance	6.8%	Construction	6.0%
Apparel Stores	5.5%	Miscellaneous	0.6%
Bldg. Materials - Retail	4.8%		
Service Stations	5.2%		
Leasing	5.8%		
Light Industry	2.6%		
Office Equipment	3.8%		
All Others	16.3%		
<b>TOTAL</b>	<b>100.0%</b>	<b>TOTAL</b>	<b>100.0%</b>

For the first three months of fiscal year 2007 seasonal sales tax revenues are budgeted at \$8,062,622 with actual revenues received for the same period totaling \$7,926,567. Approximately 98.3 % of the seasonal budget is realized. The annual budget for sales tax revenues is \$35.6 million. Sales tax revenues (specifically retail sales) are highly sensitive to the California economy which is currently reflecting a slow to no growth pattern compared to last year. At present, no change in staff's projections is being made and the annual projected budget is expected to be achieved.

**Utility Users' Tax:** Utility Users' Tax (UUT) is the City's second largest revenue source in the General Fund. UUT is a tax applied on consumption of utilities such as gas, electric, water, etc. Due to the volatility of the use of the various utilities, the Finance Department has included a more detailed perspective of this revenue source to better inform the readers of this report.

<b>Utility Users' Tax</b>	<b>Budget 2007-08</b>	<b>Actual Receipts</b>	<b>% of Budget 2007-08</b>
Electricity	\$ 4,072,340	\$ 4,056,618	99.6%
Gas:			
Refineries	1,040,605	1,499,367	144.1
Other	834,851	454,493	54.4
Water	402,912	435,069	108.0
Cable	470,303	427,610	90.9
Telecom/Cellular	2,094,473	2,033,090	97.1
Miscellaneous	1,055	1,202	113.9
<b>Total</b>	<b>\$ 8,916,539</b>	<b>\$ 8,907,449</b>	<b>100.0%</b>



The first quarter seasonal budget is \$8,762,039 with actual revenues received for the quarter totaling \$8,761,870. In the aggregate, actual revenues received equals 100% of the budget. When looking at this revenue source by components a couple areas such as cable, telephone and other revenues require monitoring. The annual budget for UUT is \$35.6 million. At present, no change in budget is being recommended and the annual budget is expected to be realized.

**Business License Tax:** The first quarter fiscal year 2007-08 budget estimates is \$178,535. Actual revenues received for the quarter totaled \$205,445 or 115.0% has been realized. Although current year actual revenues are below last year they are outpacing current year seasonal projections. It should be noted that this revenue source annual renewals are billed in mid-December, due on January 1, and delinquent on February 1. Therefore, substantially all receipts are realized in January. The annual budget for the business license tax is \$7.7 million. Budgeted projections remain realistic.

**Franchise Payments:** The majority of all franchise payments are received in the fourth quarter. As of the first quarter, actual revenues received are substantially higher than the seasonal budget and is out-pacing last years actual. The franchise annual budget is \$4.6 million. Based on the current receipt pattern annual franchise revenues are expected to be realized.

**Occupancy Tax:** The first quarter fiscal year 2007-08 budget estimates is \$1,969,516. Actual revenue received for the same period totals \$1,921,168 or 97.6%. Current year actual revenue received is greater than last year and is on pace to achieve annual projections of \$7.5 million.

	2006-07 As of 9/30/06 <u>Actual</u>	2007-08 <u>Budget</u>	2007-08 Received as of <u>9/30/07</u>
<b>License and Permits:</b>	<u>\$ 670,754</u>	<u>\$ 489,751</u>	<u>\$ 467,323</u>

The first quarter fiscal year 2007-08 budget estimates is \$489,751. Actual revenue received for the same period totaled \$ 467,323 or 95.4% has been realized. These revenues are a mixture of building, electrical and construction permits. Construction permits are once again reflecting higher than expected growth activity for the first quarter. At this time, license and permit revenues are expected to reach the annual budget projections of \$2.9 million.

	2006-07 As of 9/30/06 <u>Actual</u>	2007-08 <u>Budget</u>	2007-08 Received as of <u>9/30/07</u>
<b>Revenues from Other Agencies:</b>			
State Motor Vehicle Licenses	\$405,995	\$ 189,907	<b>\$ 204,235</b>
Other Revenues from Agencies	<u>94,369</u>	<u>62,503</u>	<u>16,618</u>
	<u>\$ 500,364</u>	<u>\$ 252,410</u>	<u>\$ 220,853</u>

**Motor Vehicle-In-Lieu:** The budget for the first quarter fiscal year 2007-08 has been adjusted to reflect actual receipt pattern during the year. The first quarter budget projection has been estimated at \$189,907 and actual revenue received for the same period totaled \$204,235 or 107.5% has been realized. Actual revenues received through the first quarter are as expected and therefore the annual budget of \$759,625 is projected to be achieved.

**Other Revenues from Agencies:** This revenue consists of subventions from the State for the homeowners' property tax exemption, budgeted at \$250,000 per year and \$62,500 per quarter. At present, the annual budget of \$250,000 is projected to be realized.

	2006-07 As of 9/30/06 <u>Actual</u>	2007-08 <u>Budget</u>	2007-08 Received as of <u>of 9/30/07</u>
<b>Fines and Forfeitures:</b>	<u>\$ 422,859</u>	<u>\$ 337,021</u>	<u>\$ 379,111</u>

This revenue source is an estimate of general court, traffic fines, and parking citation income the City will receive. Through the first quarter actual revenues received are ahead of budget and is comparative to last year. For fiscal year 2007-08, the annual budget of \$1.3 million is expected to be realized.

	2006-07 As of 9/30/06 <u>Actual</u>	2007-08 <u>Budget</u>	2007-08 Received as of <u>9/30/07</u>
<b>Use of Money and Property:</b>			
Investment Earnings	\$ 536,767	\$ 312,900	\$ 1,025,785
Other	<u>136,779</u>	<u>212,696</u>	<u>132,392</u>
	<u>\$ 673,546</u>	<u>\$ 525,596</u>	<u>\$ 1,158,177</u>

**Investment Earnings:** The actual receipt rate through the first three months of fiscal year 2007-08 is 327.8%. Actual revenue received is significantly higher than budget projections. The increases in actual revenue received were derived from higher cash balances and better than expected interest rates on investments. This revenue source is being thoroughly analyzed and a potential budget modification will be requested at mid-year. Present indicators reflect that the annual budget of \$2.1 million will be over-realized.

**Other:** The other revenue under this category represents rents, concessions and royalty payments. As of September 30, 2007, 62.2% has been realized. This revenue is highly sensitive and will require monitoring. At present, this revenue source will need to have a strong second and third quarter to reach the annual budget of \$850,742.

	2006-07 As of 9/30/06 <u>Actual</u>	2007-08 <u>Budget</u>	2007-08 Received as of <u>9/30/07</u>
<b>Charges for Current Services:</b>			
Construction/ Engineering &			
Other Charges for Service's	<u>\$ 981,037</u>	<u>\$ 897,721</u>	<u>\$ 1,011,285</u>

**Other Charges:** This category summarizes construction-related fees, engineering fees, library fines, fire fees, etc. Actual revenues as of the first quarter are at 112.7% of the budget and are slightly better than last year's actual. These revenues are expected to remain constant resulting in the annual budget of \$4.1 million being obtained.

	2006-07 As of 9/30/06 <u>Actual</u>	2007-08 <u>Budget</u>	2007-08 Received as of <u>9/30/07</u>
<b>Other Revenues:</b>	<u>\$ 3,711,554</u>	<u>\$ 2,978,287</u>	<u>\$ 3,859,114</u>

This category represents miscellaneous revenues to the City including operating transfers not categorized into specific revenue types. As of the first quarter, the annual budget of \$13.6 million is expected to be realized.

	2006-07 As of 9/30/06 <u>Actual</u>	2007-08 <u>Budget</u>	2007-08 Received as of <u>9/30/07</u>
<b>Total General Fund Revenues:</b>	<u>\$ 29,519,242</u>	<u>\$ 27,689,998</u>	<u>\$ 29,213,317</u>

**(THIS PAGE LEFT INTENTIONALLY BLANK)**



## **EXPENDITURE OVERVIEW**

All General Fund departments are within their overall budget as of first quarter ended September 30, 2007.

A discussion of General Fund expenditures is shown below. Also shown is the Enterprise and Internal Service Fund Financial Statement Summary (revenues and expenditures budget to actual) as of first quarter compared to last fiscal year 2006-07.

### **GENERAL FUND EXPENDITURES**

The General Fund budget expenditure level, including prior year encumbrances for the fiscal year, is \$167,178,167 of which \$37,811,587 has been expended as of September 30, 2007. Expenditures are 22.6% of budget estimate at September 30, 2007, compared to 18.6% and 19% in the prior two years. The category of expenditure levels are as follows:

	<b>Fiscal Year <u>2007-08</u></b>	<b>Fiscal Year <u>2006-07</u></b>	<b>Fiscal Year <u>2005-06</u></b>
Salaries and Benefits	<b>23.7%</b>	18.9%	20.3%
Materials, Supplies, Services	<b>19.8%</b>	17.7%	15.2%

Specific comments regarding departmental expenditures are presented in the individual department tab. Departments were requested to comment on unusual expenditure patterns defined as a variance at the character level of plus or minus 5% and \$10,000.

### **INTERNAL SERVICE FUNDS**

Internal Service Funds are used to account for financing of goods or services provided by one City department to other departments of the City and to other governmental units on a cost-reimbursement basis. The City currently has two Internal Service Funds: Self-Insurance and Fleet Services. The Self-Insurance Fund is used to finance and account for the City's risk management, liability claims and self-insurance programs. The Fleet Services Fund is used to finance and account for the City's vehicular equipment. The following summary compares first quarter results to budget estimates. Financial statements for each Internal Service Fund are presented in Schedules D through E-2.

**SELF INSURANCE FUND:**

	<u>Budget</u>	<u>Actual</u>	<u>Fiscal Year 2007-08</u>	<u>Fiscal Year 2006-07</u>
Self-Insurance				
Revenues	\$2,402,688	<b>\$613,150</b>	25.5%	22.0%
Expenses	(3,877,463)	<b>(1,556,927)</b>	40.2%	27.3%
Operating income (loss)	(1,474,775)	<b>(943,777)</b>		
Operating transfers in	1,320,000	<b>332,640</b>	25.2%	21.4%
Operating transfers out	(8,318)	<b>(2,099)</b>	25.2%	21.4%
Net income (loss)	<b>\$ (163,093)</b>	<b>\$ (613,236)</b>		

Actual revenues are within budget as of first quarter. However, actual expenditures are higher than budget due to the annual insurance premiums that were paid at the beginning of the fiscal year and the increase in workers' compensation claims (cases over four years old). The increase in workers' compensation claims is due to the increase in medical benefits paid for the older life-time medical claims. A program modification requesting additional appropriation of \$800,000 is being presented to the Finance Committee for approval.

The Self Insurance Fund received subsidy from the General Fund of \$302,400 as of first quarter and a transfer from Transit Fund of \$30,240 as partial payment for a settlement claim.

**FLEET SERVICES FUND:**

	<u>Budget</u>	<u>Actual</u>	<u>Fiscal Year 2007-08</u>	<u>Fiscal Year 2006-07</u>
Fleet Services				
Revenues	\$5,598,011	<b>\$1,582,521</b>	28.3%	18.1%
Expenses	(5,913,321)	<b>(1,382,928)</b>	23.4%	18.1%
Operating income (loss)	(315,310)	<b>199,593</b>		
Operating transfers in	953,200	<b>403,200</b>	42.3%	21.4%
Operating transfers out	(20,368)	<b>(5,133)</b>	25.2%	21.4%
Vehicle Acquisitions	(3,649,358)	<b>(305,945)</b>	8.4%	5.0%
Add: Depreciation	1,880,500	<b>508,361</b>		
Change in cash available after vehicle acq/depreciation	<b>\$ (1,151,336)</b>	<b>\$ 800,076</b>		

Fleet Services revenues are higher this quarter compared to last fiscal year due to the timing difference in posting. The new financial system, New World, has a monthly basis of

reporting compared to the old system, Peoplesoft that has a period basis of reporting. All of September revenues were posted in September while last fiscal year's September 17<sup>th</sup> through September 30<sup>th</sup> revenues of \$455,500 were posted in period 4, or October, since the first quarter ended on September 16, 2006 (period 3).

Operating expenses are within budget as of first quarter. Vehicle acquisitions are only at 8.4% of budget. However, there are outstanding encumbrances for vehicle acquisitions of \$879,947 as of the first quarter.

## **ENTERPRISE FUNDS**

Enterprise Funds are used to account for fee-supported businesses operated by the City. Net earnings of these funds provide working capital for maintenance and betterment of the equipment and fixed assets of the business. The following summary compares first quarter results to budget estimates. Financial statements such as the Balance Sheet, Statement of Revenues and Expenses and Cash Flow Statement for each Enterprise Fund are presented in Schedules F through M-4.

### **AIRPORT FUND:**

	<u>Budget</u>	<u>Actual</u>	<u>Fiscal Year 2007-08</u>	<u>Fiscal Year 2006-07</u>
Airport Fund				
Revenues	\$10,802,000	<b>\$2,421,608</b>	22.4%	31.8%
Expenses	(5,489,826)	<b>(1,305,057)</b>	23.8%	20.1%
Operating income (loss)	5,312,174	<b>1,116,551</b>		
Operating transfers out	(6,341,043)	<b>(2,569,536)</b>	40.5%	21.4%
Net income (loss)	<u>\$ (1,028,869)</u>	<u><b>\$ (1,452,985)</b></u>		

The Airport Fund has two separate sub-funds to facilitate monitoring financial operations between aeronautical and non-aeronautical functions. Total revenues and expenses budget vs. actual as of first quarter are shown on the next page:



## AERONAUTICAL

	<u>Budget</u>	<u>Actual</u>	<u>Fiscal Year 2007-08</u>	<u>Fiscal Year 2006-07</u>
Airport Fund-Aeronautical				
Revenues	\$ 3,613,000	\$ 889,808	24.6%	25.8%
Expenses	(3,521,655)	(818,360)	23.2%	19.6%
Operating income (loss)	91,345	71,448		
Operating transfers out	(20,280)	(5,109)	25.2%	21.4%
Net income (loss)	<u>\$ 71,065</u>	<u>\$ 66,339</u>		

## NON AERONAUTICAL

	<u>Budget</u>	<u>Actual</u>	<u>Fiscal Year 2007-08</u>	<u>Fiscal Year 2006-07</u>
Airport Fund-Non Aeronautical				
Revenues	\$ 7,189,000	\$ 1,531,800	21.3%	34.5%
Expenses	(1,968,171)	(486,697)	24.7%	20.9%
Operating income (loss)	5,220,829	1,045,103		
Operating transfers out	(6,320,763)	(2,564,427)	40.6%	21.4%
Net income (loss)	<u>\$ (1,099,934)</u>	<u>\$ (1,519,324)</u>		

The aeronautical sub-fund reflects airfield operations. The revenues and expenses of Airport Aeronautical Fund as of first quarter are within budget.

The non-aeronautical sub-fund reflects the leasing of commercial property outside of the airfield boundary. The revenues of Airport Non-Aeronautical are lower than budget this quarter but projected to be in line with the budget at year end. One of the auto dealership has a new facility with a substantial rent increase that started only in the middle of September and one of the shopping mall tenant's basic rental is increasing substantially starting October 1, 2007. The revenues this year are much lower than last fiscal year due to the receipt last fiscal year of one time \$1 million payment received from a retail tenant as part of their lease agreement. Expenses for Airport-Non Aeronautical are within budget as of first quarter. Operating transfers out is at 40.6% due to the \$900,000 transfer made to the Airport Capital Project Fund at the beginning of the year to fund this year's projects.

**TRANSIT FUND:**

	<u>Budget</u>	<u>Actual</u>	<u>Fiscal Year 2007-08</u>	<u>Fiscal Year 2006-07</u>
Transit Fund				
Revenues	\$ 18,806,421	\$ 2,303,641	12.2%	7.2%
Expenses	(21,789,594)	(4,865,541)	22.3%	18.5%
Operating income (loss)	(2,983,173)	(2,561,900)		
From fund balance	835,173	210,464		
Add: Depreciation	2,148,000	541,296	25.2%	26.8%
Net income (loss)	\$ -	\$ (1,810,140)		

The Transit Fund uses Proposition A and C funds to supplement operating revenues. Revenues for the current year are lower than budget due to the timing difference in the receipts of these revenue sources. This quarter revenues are slightly higher than last year due to the change in quarterly reporting. With the new financial system, the revenues are reported through September 30, 2007 compared to last year of September 16, 2006 reporting date. \$200,000 of Prop A local exchange from the City of Palos Verdes Estates was received in the first quarter compared to last fiscal year where the City received the exchange in the second quarter. All other revenue sources are below percent of year expired due to timing issues related to the billing and receipt of funds from MTA. This is the reason why the Transit Fund is showing a net loss of \$1,810,140 as of first quarter; however, this is comparable to last fiscal year's first quarter net loss of \$2,090,150. Expenses this quarter are within budget.

**WATER FUND:**

	<u>Budget</u>	<u>Actual</u>	<u>Fiscal Year 2007-08</u>	<u>Fiscal Year 2006-07</u>
Water Fund				
Revenues	\$ 23,485,300	\$ 7,864,688	33.5%	24.7%
Expenses	(23,523,770)	(4,411,190)	18.8%	18.1%
Operating income (loss)	(38,470)	3,453,498		
Operating transfers out	(1,054,659)	(1,030,140)	97.7%	21.4%
Net income (loss)	\$ (1,093,129)	\$ 2,423,358		

Revenues and operating expenses are within budget as of first quarter. Transfers Out account is at 97.7% due to a transfer of approximately \$1 million to the Water Capital Project Fund to cover this year's funding for projects.

**EMERGENCY MEDICAL SERVICES FUND:**

	<u>Budget</u>	<u>Actual</u>	<u>Fiscal Year</u> <u>2007-08</u>	<u>Fiscal Year</u> <u>2006-07</u>
Emergency Medical Services Fund				
Revenues	\$933,760	<b>\$294,701</b>	31.6%	23.9%
Expenses	(8,673,330)	<b>(1,877,117)</b>	21.6%	20.1%
Operating income (loss)	(7,739,570)	<b>(1,582,416)</b>		
Operating transfers in	7,735,448	<b>1,582,416</b>	20.5%	19.8%
From Fund Balance	4,122	-		
Net income (loss)	<u>\$ -</u>	<u>\$ -</u>		

The Emergency Medical Services Enterprise Fund was created in fiscal year 2003-04. The revenue sources of this fund are the Fire Advanced Life Support Response (ALS) and Transport fees, the medical re-supply fee and the paramedic medical facility fees. This fund also receives subsidy from the General Fund to fund operations and as of first quarter the subsidy was \$1,582,416. Revenues and expenses are within budget as of the first quarter.

**SANITATION FUND:**

	<u>Budget</u>	<u>Actual</u>	<u>Fiscal Year</u> <u>2007-08</u>	<u>Fiscal Year</u> <u>2006-07</u>
Sanitation Fund				
Revenues	\$10,036,000	<b>\$2,732,626</b>	27.2%	21.4%
Expenses	(10,688,243)	<b>(2,337,262)</b>	21.9%	18.9%
Operating income (loss)	(652,243)	<b>395,364</b>		
Operating transfers in	75,000	<b>18,900</b>	25.2%	21.4%
Operating transfers out	(220,655)	<b>(219,832)</b>	99.6%	0.0%
From fund balance	797,898	-		
Net income (loss)	<u>\$ -</u>	<u>\$ 194,432</u>		

The Sanitation Fund was created in the latter part of fiscal year 1992-93 to account for the refuse, recycling, waste management AB 939, and sewer maintenance operations. There was an increase in sanitation fee services that was approved in 2002-03. The fee was increased to maintain the current level of service and fund replacement containers and vehicle and equipment needs over the next five years. The annual fee increases was based on the Consumer Price Index (CPI-W) as of July 1, 2007. Revenues and expenses are within budget as of first quarter. Operating Transfer Out in the amount of \$219,555 was for the reimbursement to the General Fund Material Reserve account that originally funded the costs of outfitting 17 Sanitation City vehicles-particulate diesel filters approved by Council on September 11, 2007 Council meeting.

**CULTURAL ARTS CENTER FUND:**

	<u>Budget</u>	<u>Actual</u>	<u>Fiscal Year 2007-08</u>	<u>Fiscal Year 2006-07</u>
Cultural Arts Center Fund				
Revenues	\$854,200	<b>\$240,422</b>	28.1%	23.0%
Expenses	(1,949,767)	<b>(503,614)</b>	25.8%	21.4%
Operating income (loss)	(1,095,567)	<b>(263,192)</b>		
Operating transfers in	1,065,075	<b>269,643</b>	25.3%	17.6%
Operating transfers out	(17,903)	<b>(6,451)</b>	36.0%	17.6%
From fund balance	48,395	-		
Over (under) subsidy	<u>\$ -</u>	<u>\$ -</u>		

The Cultural Arts Center revenue sources come from rental of meeting rooms, classrooms and theater. Revenues and expenses are within budget as of the first quarter. This fund received subsidy from the General Fund of \$269,643 during the quarter.

**SEWER FUND:**

	<u>Budget</u>	<u>Actual</u>	<u>Fiscal Year 2007-08</u>	<u>Fiscal Year 2006-07</u>
Sewer Fund				
Revenues	\$ 2,084,500	<b>\$558,617</b>	26.8%	21.3%
Expenses	(1,956,010)	<b>(416,462)</b>	21.3%	19.8%
Operating income (loss)	128,490	<b>142,155</b>		
Operating transfers out	(575,000)	<b>(518,900)</b>	90.2%	21.4%
Net income (loss)	<u>\$ (446,510)</u>	<u>\$ (376,745)</u>		

The Sewer Fund was created effective July 1, 1994 to account for sewer discharge fees received for capital improvements to the City's sewer system. This need was identified after a City-wide sewer study was completed in late 1992. The study reflected many deficiencies within the sewer system with improvements that need to be accomplished by the year 2010. A sewer discharge fee increase was approved in fiscal year 2002-03. The annual increase this fiscal year was based on the Consumer Price Index (CPI). Revenues and expenses are within budget as of first quarter. The Operating Transfers out account represents transfers made to the Sewer Capital Project Fund for this fiscal year's capital funding.

**PARKS AND RECREATION FUND:**

	<u>Budget</u>	<u>Actual</u>	<u>Fiscal Year 2007-08</u>	<u>Fiscal Year 2006-07</u>
Parks and Recreation Enterprise				
Revenues	\$4,210,190	<b>\$1,729,324</b>	41.1%	37.9%
Expenses	(7,723,743)	<b>(2,117,175)</b>	27.4%	22.7%
Operating income (loss)	(3,513,553)	<b>(387,851)</b>		
Operating transfers in	3,410,597	<b>481,938</b>	14.1%	21.4%
Operating transfers out	(70,941)	<b>(17,877)</b>	25.2%	21.4%
Over (under) subsidy	<u>\$ (173,897)</u>	<u>\$ 76,210</u>		

The Parks and Recreation Enterprise Fund was created effective July 1, 1994, to account for fee-related activities of the Parks and Recreation Department. The Fund is supported by user fees and operating transfers from the General Fund. Operating revenues are higher than budget due to the collection of fall class revenues and higher volume of registrants for summer programs. Expenses are slightly above budget due to salaries of recurrent employees that are high due to large number of registrants during the summer season. In addition, Cultural Services typically spends a large portion of their professional services budget during the summer programming sessions. This fund received subsidy from the General Fund of \$481,938 as of the first quarter.

**ANIMAL CONTROL FUND:**

	<u>Budget</u>	<u>Actual</u>	<u>Fiscal Year 2007-08</u>	<u>Fiscal Year 2006-07</u>
Revenues	\$245,000	<b>\$48,599</b>	19.8%	20.3%
Expenses	(349,974)	<b>(55,748)</b>	15.9%	17.2%
Operating income (loss)	(104,974)	<b>(7,149)</b>		
Operating transfers in	62,000	<b>7,149</b>	11.5%	N/A
From Fund Balance	42,974	-	N/A	N/A
Net Income (Loss)	<u>\$ -</u>	<u>\$ -</u>		

The Animal Control Fund was created in 2003-04 to account for animal licenses, permits, and operations of the Animal Control program. The bulk of the animal licensing revenue is received at the end of the fiscal year. The number of dog licenses sold annually is under review. At the inception of the Animal Control program, revenue projections were based upon estimates provided by Los Angeles County as to the number of dogs owned by Torrance residents. Expenditures are lower than budget due to a vacancy for an Animal

Control Supervisor. Operating transfers in from the General Fund are recorded on as needed basis. As of the first quarter, only \$7,149 was transferred from the General Fund.

### **RIDESHARE FUNDS:**

The Air Quality Management District Fund (AQMD) and Vanpool/Rideshare Fund are the two funds that are used to account for the City's rideshare program. The AQMD Fund accounts for the City's compliance with air quality management regulations and the Vanpool/Rideshare Fund is used to account for rideshare revenues from Proposition C and fares.

### **AIR QUALITY MANAGEMENT DISTRICT FUND:**

	<u>Budget</u>	<u>Actual</u>	<u>Fiscal Year 2007-08</u>	<u>Fiscal Year 2006-07</u>
Revenues	\$ 165,000	\$ 1,361	0.8%	0.5%
Expenses	(189,124)	(37,409)	19.8%	14.7%
Operating income (loss)	(24,124)	(36,048)		
From fund balance	24,124	24,124	100.0%	100.0%
Net Income (Loss)	\$ -	\$ (11,924)		

The AQMD revenues are lower than budget because the 1st quarter revenue of approximately \$40,000 is expected to be received in November 2007. Expenditures are within budget as of the first quarter.

### **VANPOOL RIDESHARE FUND:**

	<u>Budget</u>	<u>Actual</u>	<u>Fiscal Year 2007-08</u>	<u>Fiscal Year 2006-07</u>
Revenues	\$ 68,000	\$ 10,268	15.1%	40.9%
Expenses	(240,343)	(37,044)	15.4%	14.6%
Operating income (loss)	(172,343)	(26,776)		
Operating transfers in	154,900	39,035	25.2%	21.4%
Net Income (Loss)	\$ (17,443)	\$ 12,259		

Vanpool revenues this quarter have a lower percentage of budget to actual compared to last fiscal year due to the change in the revenue budget. Last year, the budget for Vanpool revenues was \$42,000 compared to \$68,000 this year. It is projected that actual revenues will be in line with budget by year end. Expenditures are within budget as of the first quarter. Over the past year, the City had taken steps to reduce expenditures including increasing vanpool fares and had increased the point program redemption rate.

**(THIS PAGE LEFT INTENTIONALLY BLANK)**





## 2006-07 Year-End

At fiscal year-end, the General Fund generated a net available carryover of \$5,215,870. The carryover prior to Council adjustment totaled \$11,715,870. At year-end, actual revenues exceeded budget by \$7,731,493 and expenditures, including prior year encumbrances and use of fund balance, resulted in a favorable variance of \$3,984,377. The carryover for fiscal year 2006-07, prior to Council commitments, is calculated by adding the two aforementioned positive variances (revenue and expenditures).

Carryover before adjustments	\$ 11,715,870
Less:	
Facility Maintenance	(500,000)
Ongoing operations 2007-08	(600,000)
Additional funding for FEAPS projects	(400,000)
FEAPS/Capital Projects per proposed 2007-09 Budget	(1,300,000)
Litigation	(250,000)
Program Contingency	(50,000)
Prop A Exchanges	(400,000)
Economic Anomaly	(3,000,000)
Use of Carryover	(6,500,000)
Carryover 2006-07 (Revenues/Expenditures)	\$ 5,215,870

As previously mentioned, the General Fund actual revenues received for fiscal year-end exceeded budget by approximately \$7.7 million or 5.0%. To put this in perspective, the overall General Fund's fiscal year 2006-07 revenue budgets totaled approximately \$153.8 million of which \$162.8 million or 105.0% was realized. The primary cause for the increase in revenues was due to one-time revenue savings from aggressive construction activity; excess revenues derived from an enormous volume of residential home sales and inflated home prices along with better than expected investment portfolio earnings.

Fiscal year-end carryover is calculated by using two components (revenues and expenditures). At year-end, expenditures in the aggregate were less than budget by \$3,984,377 (net of adjustments). The expenditure savings were comprised of savings in salaries of \$3,348,230 and in materials and supplies net of internal accounting adjustments of \$636,147.

In calculating the net available carryover amount to be used to fund City reserves, revenue positive variances (net of any Council action adjusting the carryover) are added to expenditure positive variances. As mentioned above, the net carryover balance for fiscal year 2006-07 totaled \$5,215,870.

**Recommended use of Carryover:**

Unallocated Carryover	\$5,215,870
-----------------------	-------------

**2007-08 Capital Projects:**

Police Wiring	(300,000)
Underground Tanks	(266,400)
Fuel Focus – Automated	(130,000)
One Stop Center	(900,000)
Lomita Right of Way	(500,000)
Wilson Park Maintenance	(220,000)
De-thatching Parks 4 ball fields	(170,000)
Library Stacks	(170,000)
ADA Access Compliance Survey	( 60,000)
Retrofit Police Building for ADA accessibility	(170,000)
Expansion of SMART program	(250,000)

**Program Modifications:**

CAC endowment fund reserve	(250,000)
Human Resource Analyst	( 55,000)
FEAP Projects	(274,470)
Regional Public Safety Training Center	(250,000)

**Reserves:**

Economic Anomaly	(500,000)
Program Innovation	(150,000)
Proposition A Exchange	(300,000)
Economic Development	(300,000)
Balance of 2006-07 Carryover	-

The following schedule shows the City's reserve balances after your approval of the aforementioned allocation of the net carryover funds.

## GENERAL FUND AND SELF INSURANCE FUND RESERVES

	Reserve Balances 6/30/2007	Recommended Use of 2006-07 Carryover	Changes during First Quarter	Reserves as of 9/30/2007	Funding Goal	
<b>CATEGORY 1: CONTINGENCY RESERVES</b>						
Economic Anomaly	\$ 6,621,349	\$ 3,500,000	\$ -	\$ 10,121,349	\$ 17,192,653	A)
Program Contingencies	222,015	50,000	(30,694)	241,321	(n/a)	
<b>Total</b>	<b>\$ 6,843,364</b>	<b>\$ 3,550,000</b>	<b>\$ (30,694)</b>	<b>\$ 10,362,670</b>	<b>\$ 17,192,653</b>	
<b>CATEGORY 2: SPECIFIC PURPOSE RESERVES</b>						
Economic Development	\$ 807,222	\$ 300,000	\$ (100,000)	\$ 1,007,222	(n/a)	
Balancing Strategies	1,326,525	-	-	1,326,525	(n/a)	
Litigation	152,540	250,000	-	402,540	(n/a)	
Program Innovation	100,400	150,000	(15,000)	235,400	(n/a)	
Revolving Nuisance Abatement	80,000	-	-	80,000	(n/a)	
Benefit Rate Mitigation	2,513,894	-	-	2,513,894	6,767,942	B)
Security Improvements	124,207	-	-	124,207	(n/a)	
Prop A Exchange	479,141	700,000	(138,000)	1,041,141	(n/a)	
Alternative Fuel Vehicles	1,967,764	-	-	1,967,764	(n/a)	
Clean Water Req (NPDES)	50,000	-	(50,000)	-	(n/a)	
<b>Total</b>	<b>\$ 7,601,693</b>	<b>\$ 1,400,000</b>	<b>\$ (303,000)</b>	<b>\$ 8,698,693</b>	<b>\$ 6,767,942</b>	
<b>CATEGORY 3: FUNDING OF LIABILITIES RESERVES</b>						
Compensated Absences	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000	Outstanding \$ 16,397,228	
General Liability/Workers' Compensation Claims	6,726,348	-	399,212	7,125,560	22,877,345	C)
<b>Total</b>	<b>\$ 7,726,348</b>	<b>\$ -</b>	<b>\$ 399,212</b>	<b>\$ 8,125,560</b>	<b>\$ 39,274,573</b>	

- A) Funding Goal is 10% of combined General Fund, Parks & Recreation Fund, Cultural Arts Center Fund, Animal Control Fund and Emergency Medical Services Fund net adopted 2007-08 appropriation level.
- B) Represents 2 years of 5% for Public Safety and 2 years of 2% for Misc.
- C) Based on the draft of an actuarial study report as of fiscal year ending June 30, 2005. A percentage of this balance is funded by annual departmental budget for workers compensation and liability.

## RESERVE DESCRIPTION AND FUNDING POLICY

**Economic Anomaly Reserve:** This reserve was established in fiscal year 1987-88 with two goals. The first was to provide a reserve that would assist the City in the reduction of reliance on year-end carryover to balance the next year's budget. Prior to 1988, the City relied upon generating between \$4 million and \$5 million in savings to balance the next fiscal year. Pursuant to Council direction, the reserve was established and the use of carryover was phased back over three year period to the current targeted limited use of \$600,000. The second goal of the reserve was to achieve a balance equal to 10% of the General Fund, Parks & Recreation Fund, Cultural Arts Center Fund, Animal Control Fund and the Emergency Medical Services Fund net adopted appropriation level as approved by Council

for 2007-08. On May 22, 2007, Council approved to add \$3,000,000 to this reserve from the 06-07 carryover. An additional \$500,000 from the 06-07 carryover is being recommended to the Finance Committee for approval. With the additional funding, the projected balance of this reserve as of September 30, 2007 is \$10,121,349.

**Program Contingencies Reserve:** This reserve is to provide funding for program needs or special studies that arise throughout the year that were not anticipated during preparation of the budget. On May 22, 2007, Council approved an increase of \$50,000 to this reserve from the 06-07 carryover. The balance of this reserve as of September 30, 2007 is \$241,321.

**Economic Development Reserve:** This reserve was established as part of the 1993 Capital Improvement Budget. It was recommended that \$350,000 of available capital funds be set aside as seed money to assist in capitalizing an economic development program in the city. Criteria for the use of funds to stimulate growth in the community were established during fiscal year 1993-94. As funds became available and return is received on the economic investments, the funding goal for this reserve is a minimum of \$500,000. \$100,000 of this reserve funds the annual budget of Economic Development program. Any unused balance at the end of each fiscal year is being returned to this reserve. \$300,000 increase to this reserve is being recommended to the Finance Committee to be funded from the 06-07 carryover. The projected balance of this reserve as of September 30, 2007 is \$1,007,222.

**Balancing Strategies Reserve:** This reserve was established to eliminate the projected shortfall in the 2004-05 fiscal year and adopted a two-year operating budget for the 2003-04 and 2004-05 fiscal years that is balanced. The budget reflects a budget balancing strategy that used three elements to address the projected shortfall such as the reallocation and use of internal resources, the reduction in department budgets and the operational efficiencies and revenue enhancements. The strategy additionally provided for the implementation of these elements beginning fiscal year 2003-04:

- Buy back of City bonds \$6,000,000
- Deleted positions transition cost 3,600,000
- Facilities modification for department consolidations 950,000

The original amount of this reserve is \$10,550,000. During fiscal year 2003-04, \$881,753 was used for deleted positions transition cost; \$1,340,472 was set aside in the reorganization budget to be used for fiscal year 2004-05 and \$950,000 was used for facilities modifications. \$6,000,000 of this reserve was used in fiscal year 04-05 to buy back City bonds. The balance of this reserve as of September 30, 2007 is \$1,326,525.

**Litigation Reserve:** This reserve was established in April 1990 with \$565,554 from the 1989-90 year-end carryover funding. It is to provide a funding source for unanticipated, unbudgeted litigation expenses. Additions to the reserve have been through subsequent year-end carryover allocations, with appropriations from the reserve as approved by City Council during the budget years. There is no firm reserve addition policy; allocations to the reserve from carryover have been based on projected litigation likely tempered by other reserve requirements. On May 22, 2007, Council approved an additional \$250,000 increase to this reserve from the 06-07 carryover. The balance of this reserve as of September 30, 2007 is \$402,540.

***Innovation Fund Reserve:*** This reserve was established in the adopted 1995-97 annual budget as a result of budget streamlining. A committee will refine application requirements and review applications, with approval concurrence by the City Manager. The broad principals for department application of the innovation funds are uses of the funds for the following items:

- Reduction of a departmental program cost.
- Holding the line on program costs.
- Improving services to clients (internal and external).
- Improving efficiency of a program or operation.

The original funding amount was to be \$300,000 annually. This was reduced to \$200,000 for fiscal year 1995-96 due to the automation capital projects recommended for approval. Many of these projects met the objectives of the innovation fund. The May 7, 1996 budget adjustments included a recommendation from the Building and Safety department that \$100,000 of this reserve be transferred to a Revolving Nuisance Abatement Reserve. \$15,000 of this reserve was used during the first quarter for graffiti abatement. It is being recommended to the Finance Committee that \$150,000 be added to this reserve from the 06-07 carryover. The projected balance of this reserve as of September 30, 2007 is \$235,400.

***Revolving Nuisance Abatement Reserve:*** This reserve was established in May 1996 for the amount of \$100,000 from the Innovation Fund Reserve to fund maintenance for enforcing building standard codes when property owners are unable to comply. The reserve will be used for contract services to abate building nuisances and hazard on private property. The balance of this reserve as of September 30, 2007 is \$80,000.

***Benefit Rate Mitigation:*** This reserve was established to mitigate rate increases in public employee's retirement system, health insurance, workers compensation, short term and long term disabilities, and liability claims. The balance of this reserve as of September 30, 2007 is \$2,513,894.

***Security Improvements Reserve:*** This reserve was established and approved by Council on December 11, 2001 to be use for City facilities security improvements. The balance of this reserve as of September 30, 2007 is \$124,207.

***Prop A Exchange Reserve:*** This reserve is to provide funding for Proposition A local return funds that are traded to other jurisdictions in exchange for General Fund. Prop A local returns are used exclusively to benefit public transit, to improve the quality and safety of and/or access to public transit services by the general public or those requiring special transit assistance. \$138,000 was used this quarter for Prop A Exchange purchase. On May 22, 2007, Council approved to increase this reserve by \$400,000 from the 06-07 carryover. It is being recommended to the Finance Committee that an additional \$300,000 be added to this reserve from the 06-07 carryover. The projected balance of this reserve as of September 30, 2007 is \$1,041,141.

***Alternative Fuel Vehicles Reserve:*** This reserve was established and approved by Council on January 10, 2006 in the amount of \$2,007,764 for the mandated use of alternative fuel vehicles and funded by the 2004-05 General Fund carryover. \$40,000 of this reserve was approved by Council on February 27, 2007 to be use to partially fund the purchase of 2 powered street sweepers. The balance of this reserve as of September 30, 2007 is \$1,967,764.

***Clean Water Req-National Pollutant Discharge Elimination System (NPDES) Reserve:*** In 1972, the United States Congress amended the Federal Water Pollution Control Act (Clean Water Act) to prohibit the discharge of any pollutant to waters of the United States from a point source unless the discharge is authorized by a National Pollutant Discharge Elimination System (NPDES) permit. The NPDES program is a permit program designed to regulate point source discharge.

The California Regional Water Quality Control Board, Los Angeles Region, is the local agency that renews the NPDES permit for discharges of storm water and urban runoff in Los Angeles County. The permit is renewed typically every five years and with the requirements becoming more restrictive each renewal cycle. The NPDES reserve fund is set aside in anticipation of future requirements under this permit. \$950,000 of this reserve was transferred to various NPDES projects as approved by Council per the five year capital project plan. \$50,000 was transferred this quarter to the NPDES program. There is no balance left as of September 30, 2007.

***Compensated Absences Reserve:*** This reserve is to provide funding for those employees who exercise individual options to cash in portions of their accrued sick leave and vacation in excess of that provided for annually within the base budget which cannot be absorbed by the departments through year-end salary savings. The reserve has not been drawn upon because year-end salary savings have been available to absorb cash-out overages. The balance of this reserve as of September 30, 2007 is \$1,000,000.

***General Liability/Workers Compensation Reserve:*** This reserve was established to be use to fund excess workers compensation and liability claims than what was annually budgeted for in the Self Insurance Fund. The reserves are funded from the General Fund two-thirds loss allocation savings for workers compensation claims and liability claims every fiscal year and also funded by year end carryover. \$500,000 of this reserve is being used each fiscal year to help fund operations. The balance of this reserve as of September 30, 2007 is \$7,125,560.

Schedules: Schedule A -- General Fund Revenue Summary - Budget to Actual for Thirteen Periods Ended June 30, 2007.

Schedule B -- Expenditures Summary by Fund – Budget to Actual-All Funds With Annually Adopted Budgets for Thirteen Periods Ended June 30, 2007.

Schedule B-1 -- Expenditures Detail By Fund- Budget to Actual-All Funds With Annually Adopted Budgets-Salaries and Benefits Expenditures for Thirteen Periods Ended June 30, 2007.

Schedule B-2 -- Expenditures Detail By Fund- Budget to Actual-All Funds With Annually Adopted Budgets- Materials, Services, and Other Expenditures for Thirteen Periods Ended June 30, 2007.

Schedule B-3 -- Expenditures Summary-Budget to Actual-General Fund by Character for Thirteen Periods Ended June 30, 2007.

Schedule B-4 – Adopted Budget and Revisions by Fund for Thirteen Periods Ended June 30, 2007.

Schedule C -- Internal Service and Enterprise Fund Revenue Summary- Budget to Actual for Thirteen Periods Ended June 30, 2007.

Schedule D -- Fleet Services-Combined Fund Balance Sheet for Thirteen Periods Ended June 30, 2007.

Schedule D-1 -- Fleet Services Combined Fund Statement of Revenues and Expenses-Budget to Actual for Thirteen Periods Ended June 30, 2007.

Schedule D-2 – Fleet Services Combined Fund Statement of Cash Flows for Thirteen Periods Ended June 30, 2007.

Schedule D-3 -- Fleet-Operations and Maintenance Statement of Revenues and Expenses-Budget to Actual for Thirteen Periods Ended June 30, 2007.

Schedule D-4 -- Fleet-Operations and Maintenance Statement of Cash Flows for Thirteen Periods Ended June 30, 2007.

Schedule D-5 -- Fleet-Vehicle Replacement Fund Statement of Revenues and Expenses-Budget to Actual for Thirteen Periods Ended June 30, 2007.

Schedule D-6 -- Fleet-Vehicle Replacement Fund Statement of Cash Flows for Thirteen Periods Ended June 30, 2007.

Schedule E -- Self-Insurance Fund Balance Sheet For Thirteen Periods Ended June 30, 2007.

Schedule E-1 -- Self-Insurance Fund Statement of Revenues and Expenses-Budget to Actual for Thirteen Periods June 30, 2007.

Schedule E-2 -- Self-Insurance Fund Statement of Cash Flows for Thirteen Periods Ended June 30, 2007.

Schedule F -- Airport Fund Balance Sheet for Thirteen Periods Ended June 30, 2007.

Schedule F-1 -- Airport Fund Statement of Revenues and Expenses-Budget to Actual for Thirteen Periods Ended June 30, 2007.

Schedule F-2 -- Airport Fund-Aeronautical Statement of Revenues and Expenses-Budget to Actual for Thirteen Periods Ended June 30, 2007.

Schedule F-3 -- Airport Fund Non-Aeronautical Statement of Revenues and Expenses-Budget to Actual for Thirteen Periods Ended, June 30, 2007.

Schedule F-4 -- Airport Fund Statement of Cash Flows for Thirteen Periods Ended June 30, 2007.

Schedule G -- Transit Fund Balance Sheet for Thirteen Periods Ended June 30, 2007.

Schedule G-1 -- Transit Fund Statement of Revenues and Expenses-Budget to Actual for Thirteen Periods Ended June 30, 2007.

Schedule G-2 -- Transit Fund Statement of Cash Flows for Thirteen Periods Ended June 30, 2007.

Schedule G-3 -- Municipal Area Express (MAX) Combining Statement of Revenues, Expenditures and Changes in Fund Balance for Thirteen Periods Ended June 30, 2007.

Schedule H -- Water Fund Balance Sheet for Thirteen Periods Ended June 30, 2007.

Schedule H-1 -- Water Fund Operations Statement of Revenues and Expenses-Budget to Actual for Thirteen Periods Ended June 30, 2007.

Schedule H-2 -- Water Fund Statement of Cash Flows for Thirteen Periods Ended June 30, 2007.

Schedule I -- Emergency Medical Services Fund Balance Sheet for Thirteen Periods Ended June 30, 2007.



Schedule I-1 -- Emergency Medical Services Fund Statement of Revenues and Expenses-Budget to Actual for Thirteen Periods Ended June 30, 2007.

Schedule I-2 -- Emergency Medical Services Statement of Cash Flows for Thirteen Periods Ended, June 30, 2007.

Schedule J -- Sanitation Enterprise Fund Balance Sheet for Thirteen Periods Ended June 30, 2007.

Schedule J-1 -- Sanitation Enterprise Fund Statement of Revenues and Expenses-Budget to Actual for Thirteen Periods Ended June 30, 2007.

Schedule J-2 -- Sanitation Enterprise Fund Statement of Cash Flows for Thirteen Periods Ended June 30, 2007.

Schedule K -- Cultural Arts Center Enterprise Fund Balance Sheet for Thirteen Periods Ended June 30, 2007.

Schedule K-1 -- Cultural Arts Center Enterprise Fund Statement of Revenues and Expenses-Budget to Actual for Thirteen Periods Ended June 30, 2007.

Schedule K-2 -- Cultural Arts Center Enterprise Fund Budget to Actual by Programs for Thirteen Periods Ended June 30, 2007.

Schedule K-3 -- Cultural Arts Center Enterprise Fund Statement of Cash Flows for Thirteen Periods Ended June 30, 2007.

Schedule L -- Sewer Enterprise Fund Balance Sheet for Thirteen Periods Ended June 30, 2007.

Schedule L-1 -- Sewer Enterprise Fund Operations Statement of Revenues and Expenses-Budget to Actual for Thirteen Periods Ended June 30, 2007.

Schedule L-2 -- Sewer Enterprise Fund Operations Statement of Cash Flows for Thirteen Periods Ended June 30, 2007.

Schedule M -- Parks and Recreation Enterprise Fund Balance Sheet for Thirteen Periods Ended June 30, 2007.

Schedule M-1 -- Parks and Recreation Enterprise Fund Statement of Revenues and Expenses-Budget to Actual for Thirteen Periods Ended June 30, 2007.

Schedule M-2 -- Parks and Recreation – Recreation Services Statement of Revenues and Expenses-Budget to Actual for Thirteen Periods Ended June 30, 2007.

Schedule M-3 -- Parks and Recreation – Cultural Services Statement of Revenues and Expenses-Budget to Actual for Thirteen Periods Ended June 30, 2007.

Schedule M-4 -- Parks and Recreation Enterprise Fund Statement of Cash Flows for Thirteen Periods Ended June 30, 2007.

Schedule N – Capital Improvements Fund Balance Sheet for Thirteen Periods Ended June 30, 2007.

Schedule N-1 -- Capital Improvements Fund Statement of Revenues, Expenditures and Changes in Fund Balance for Thirteen Periods Ended June 30, 2007.

Schedule O – Prop C Local Return/Grants and Discretionary Funds Balance Sheet for Thirteen Periods Ended June 30, 2007.

Schedule O-1 -- Prop C Local Return/Grants and Discretionary Funds Combining Statement of Revenues, Expenditures and Changes in Fund Balances for Thirteen Periods Ended June 30, 2007.

Schedule P -- Torrance Public Financing Authority Restricted Capital Project Fund Statement of Revenues, Expenditures and Changes in Fund Balance for Thirteen Periods Ended June 30, 2007.

Schedule Q -- Meadow Park Redevelopment Capital Project Fund Statement of Revenues and Expenditures-Budget to Actual for Thirteen Periods Ended June 30, 2007.

Schedule Q-1 -- Skypark Redevelopment Capital Project Fund Statement of Revenues and Expenditures-Budget to Actual for Thirteen Periods Ended June 30, 2007.

Schedule Q-2 -- Downtown Redevelopment Capital Project Fund Statement of Revenues and Expenditures-Budget to Actual for Thirteen Periods Ended June 30, 2007.

Schedule Q-3 -- Industrial Redevelopment Capital Project Fund Statement of Revenues and Expenditures-Budget to Actual for Thirteen Periods Ended June 30, 2007.

Schedule Q-4 -- Low Moderate Income Housing Redevelopment Capital Project Fund Statement of Revenues and Expenditures for Thirteen Periods Ended June 30, 2007.

Schedule R -- Torrance Public Financing Authority Debt Service Fund Statement of Revenues, Expenditures and Changes in Fund Balance for Thirteen Periods Ended June 30, 2007.

Schedule S -- Skypark Redevelopment Debt Service Fund Statement of Revenues and Expenditures-Budget to Actual for Thirteen Periods Ended June 30, 2007.

Schedule S-1 -- Downtown Redevelopment Debt Service Fund Statement of Revenues and Expenditures-Budget to Actual for Thirteen Periods Ended June 30, 2007.

Schedule S-2 -- Industrial Redevelopment Debt Service Fund Statement of Revenues and Expenditures-Budget to Actual for Thirteen Periods Ended June 30, 2007.

Schedule T—Housing Authority Statement of Revenue and Expenses-Budget to Actual For Thirteen Periods Ended June 30, 2007.

Schedule U -- Selected Special Revenue Funds Combining Statement of Revenues, Expenditures and Changes in Fund Balances for Thirteen Periods Ended June 30, 2007.

Schedule V – Cable & Community Relations/Public Access Balance Sheet for Thirteen Periods Ended June 30, 2007.

Schedule V-1 – Cable & Community Relations Statement of Revenues and Expenses-Budget to Actual for Thirteen Periods Ended June 30, 2007.

Schedule V-2 -- Cable & Community Relations Statement of Cash Flows for Thirteen Periods Ended June 30, 2007.

Schedule V-3 -- Cable TV Public Access Statement of Revenues and Expenses-Budget to Actual for Thirteen Periods Ended June 30, 2007.

Schedule V-4 -- Cable TV Public Access Cash Flows for Thirteen Periods Ended June 30, 2007.

Schedule W -- Animal Control Fund Balance Sheet for Thirteen Periods Ended June 30, 2007.

Schedule W-1 -- Animal Control Fund Statement of Revenues and Expenses –Budget to Actual for Thirteen Periods Ended June 30, 2007.

Schedule W-2 -- Animal Control Fund Statement of Cash Flows for Thirteen Periods Ended June 30, 2007.

Schedule X -- Air Quality Management District Fund Balance Sheet for Thirteen Periods Ended June 30, 2007.

Schedule X-1 -- Air Quality Management District Fund Statement of Revenues and Expenses-Budget to Actual for Thirteen Periods Ended June 30, 2007.

Schedule Y -- Vanpool/Rideshare Fund Balance Sheet for Thirteen Periods Ended June 30, 2007.

Schedule Y-1 -- Vanpool/Rideshare Fund Statement of Revenues and Expenses-Budget to Actual for Thirteen Periods Ended June 30, 2007.

**GENERAL FUND REVENUE SUMMARY-BUDGET TO ACTUAL  
FOR THIRTEEN PERIODS ENDED JUNE 30, 2007 - 100% EXPIRED**

	CURR YR YTD			FY 2005-2006	
	2006-2007	13 PERIODS ACTUAL	% OF	13 PERIODS ACTUAL	% OF
	BUDGET	June 30, 2007	BUDGET	June 30, 2006	BUDGET
<b><u>TAXES</u></b>					
Property taxes	\$22,626,373	\$25,248,013	111.6%	\$30,693,552	112.8%
VLF Swap and Repayment	9,285,000	9,703,716	104.5%		
Sales and use taxes	33,564,000	33,320,214	99.3%	32,803,076	100.7%
Sales Tax Flip	11,905,000	11,846,406	99.5%	7,939,364	81.4%
Utility users tax					
Electricity	16,799,861	15,796,330	94.0%	14,927,328	98.4%
Gas					
Refineries	4,109,658	3,774,073	91.8%	4,708,284	113.9%
Other	3,075,333	2,924,972	95.1%	3,386,628	106.4%
Water	1,561,199	1,567,335	100.4%	1,438,564	96.1%
Cable	1,333,309	1,821,139.00	136.6%	1,597,154	110.0%
Telecommunication/Cellular	7,476,300	7,927,081	106.0%	7,810,469	94.6%
Miscellaneous	2,340	4,062	173.6%	2,156	70.2%
Sub Total - Utility users tax	34,358,000	33,814,992	98.4%	33,870,583	100.5%
Business license tax/permit tax	7,582,000	7,775,542	102.6% A	7,494,672	101.8%
Franchise tax	4,525,740	5,339,165	118.0% A	5,121,569	115.4%
Occupancy tax	7,029,000	7,541,492	107.3%	6,694,246	103.0%
Construction tax	773,000	1,501,666	194.3% B	1,845,364	238.9%
Real property transfer tax	600,000	865,709	144.3%	982,361	89.3%
Oil severance tax	30,000	7,043	23.5%	6,418	21.4%
TOTAL TAXES	132,278,113	136,963,959	103.5%	127,451,205	103.3%
<b><u>LICENSES AND PERMITS</u></b>					
Construction permits/other license fee/permits	2,125,530	2,671,004	125.7% B	2,692,901	127.9%
TOTAL LICENSES/ FEES	2,125,530	2,671,004	125.7%	2,692,901	127.9%
<b><u>FINES AND FORFEITURES</u></b>					
General court fines	129,000	319,939	248.0%	313,914	243.3%
Traffic fines/parking citations	1,051,000	1,260,148	119.9%	1,154,062	109.8%
TOTAL FINES/FORFEITURES	1,180,000	1,580,086	133.9%	1,467,976	124.4%
<b><u>REV-USE OF MONEY/PROPERTY</u></b>					
Investment earnings	1,586,000	4,029,452	254.1%	1,898,618	160.1%
Rents, royalties and leases	851,050	551,068	64.8%	536,469	100.3%
TOTAL USE OF MONEY/PROPERTY	2,437,050	4,580,520	188.0%	2,435,087	141.5%
<b><u>REVENUES FR OTHER AGENCIES</u></b>					
State motor vehicle licenses	1,000,000	990,751	99.1%	2,070,400 E	99.3%
State homeowners' property tax	250,000	233,454	93.4% A	238,598	95.4%
Other State revenues	-	268,576		297,164	1022.2%
TOTAL OTHER AGENCIES	1,250,000	1,492,781	119.4%	2,606,162	110.2%
<b><u>CHARGES FOR CURRENT SERVICES</u></b>					
Construction related fees	1,574,404	1,707,454	108.5% B	2,264,234	136.4%
Engineering fees	114,330	224,326	196.2% B	284,836	257.3%
Passport Fees	25,000	17,558	70.2%	14,494	58.0%
Police department services	756,956	796,499	105.2%	743,332	98.2%
Daily Jail Rental	50,000	8,721	17.4%	15,170	30.3%
Fire related fees	1,174,200	1,014,449	86.4% A	1,004,073	88.1%
Contributions-Enterprises	2,550,000	2,568,000	100.7%	2,550,000	100.0%
Other charges	79,020	134,872	170.7% C	112,419	147.5%
Library fines and fees	206,000	138,759	67.4%	162,996	81.5%
TOTAL CURRENT SERVICE CHARGES	6,529,910	6,610,638	101.2%	7,151,554	108.9%
<b><u>OTHER REVENUES</u></b>					
Other revenues	315,123	1,249,188	396.4% D	855,188	127.3%
Operating transfers in	7,663,950	7,663,950	100.0%	7,625,600	100.0%
TOTAL OTHER REVENUES	7,979,073	8,913,138	111.7%	8,480,788	102.2%
<b>Total General Fund Revenues</b>	<b>153,779,676</b>	<b>162,812,127</b>	<b>105.9%</b>	<b>152,285,673</b>	<b>104.5%</b>

A Seasonal Revenues

B Large construction projects particularly the Del Amo Mall construction drove construction & other related fees up.

C Traffic signal maintenance fees collected exceed budget.

D Includes reclassification of old deposits recognizing them as revenue

E For presentation, \$1.2 million loan repayment from LA County was excluded

## Schedule B

### EXPENDITURES SUMMARY BY FUND - BUDGET TO ACTUAL-ALL FUNDS WITH ANNUALLY ADOPTED BUDGETS FOR THIRTEEN PERIODS ENDED, JUNE 30, 2007 - 100% EXPIRED

	FY 06-07			FY 05-06	
	REVISED BUDGET	EXPEND WITHOUT ENCUMBR	% OF BUDGET TO ACTUAL W/O ENC	EXPEND WITHOUT ENCUMBR	% OF BUDGET TO ACTUAL W/O ENC
<b>GENERAL FUND</b>					
<b>BY DEPARTMENT:</b>					
Council/Commissions	\$ 586,403	\$ 499,682	85.2%	\$ 476,364	83.0%
City Manager	2,468,560	2,074,259	84.0%	1,914,231	88.0%
City Attorney	2,537,317	2,498,780	98.5%	2,358,907	98.3%
City Clerk	734,870	685,089	93.2%	800,492	96.0%
City Treasurer	736,012	711,254	96.6%	674,189	93.7%
Finance	5,049,458	4,591,848	90.9%	4,160,230	84.5%
Human Resources	2,525,132	2,448,960	97.0%	2,226,259	85.8%
Civil Service	362,875	321,045	88.5%	295,287	91.7%
Community Development	7,878,178	7,215,839	91.6%	6,872,681	90.5%
Comm & Info Tech	4,096,609	3,688,477	90.0%	3,571,535	89.6%
General Services	4,805,341	4,459,439	92.8%	4,430,918	89.7%
Police	55,558,584	54,384,514	97.9%	52,787,300	96.9%
Fire	25,099,628	24,670,716	98.3%	23,890,261	96.1%
Public Works	10,769,867	9,249,918	85.9%	9,544,011	91.2%
Community Services	13,373,439	12,888,019	96.4%	12,598,512	94.5%
<b>Non-Departmental (1001 only):</b>					
Insurance	28,568	14,860	52.0%	15,172	53.5%
Hazardous Waste	81,862	78,445	95.8%	7,954	10.5%
Community Promotion	386,890	323,116	83.5%	248,810	75.2%
Non-Departmental	6,292,183	5,028,429	79.9%	3,791,691	97.9%
Leaseback	2,857,725	2,832,529	99.1%	2,789,121	99.8%
Community Improvements	152,000	31,350	20.6%	16,954	11.7%
Transfers	16,037,721	16,031,574	100.0%	14,124,609	99.4%
HEOP ET	25,000	-	N/A	-	N/A
<b>Total General Fund</b>	<b>162,444,222</b>	<b>154,728,142</b>	<b>95.3%</b>	<b>147,595,488</b>	<b>94.8%</b>
<b>Internal Service</b>					
Fleet Svcs - Oper & Maint	3,487,275	3,418,117	98.0%	3,235,486	92.3%
Fleet Svcs - Replacement	1,842,740	1,101,061	59.8%	2,413,706	129.1%
Self-Insurance	5,213,670	4,965,551	95.2%	4,352,146	98.4%
<b>Total Internal Service</b>	<b>10,543,685</b>	<b>9,484,729</b>	<b>90.0%</b>	<b>10,001,338</b>	<b>102.1%</b>
<b>Enterprise</b>					
Airport	8,878,665	8,518,903	95.9%	7,389,841	97.2%
Transit	21,946,374	20,061,767	91.4%	20,847,271	97.9%
Water	23,295,731	22,140,372	95.0%	20,898,449	98.5%
Emergency Medical Services	8,160,002	8,127,219	99.6%	7,431,502	98.8%
Sanitation	10,483,078	10,135,554	96.7%	10,102,329	96.6%
Cultural Arts	1,888,949	1,767,538	93.6%	1,699,423	93.0%
Sewer	1,959,902	1,626,340	83.0%	1,623,673	84.4%
Parks & Recreation	7,512,524	7,296,848	97.1%	7,244,841	99.4%
<b>Total Enterprise</b>	<b>84,125,225</b>	<b>79,674,541</b>	<b>94.7%</b>	<b>77,237,329</b>	<b>97.6%</b>
<b>External Funds</b>					
Employment & Training (WIN)	2,977,457	2,977,457	100.0%	3,858,470	89.8%
Home Improv Empl. Program	-	(69,607)	N/A	-	N/A
Section 8 Rental Assistance	5,596,038	4,891,550	87.4%	4,999,717	90.5%
Rehab Loan Program (HCD)	3,700	-	N/A	-	N/A
Redevelopment Agency	12,095,843	12,097,788	100.0%	10,889,054	89.2%
Cable & Comm Relations	1,169,606	1,114,338	95.3%	1,098,657	93.8%
Cable TV Public Access	326,268	304,981	93.5%	282,910	96.7%
Air Quality Mgmt. District	189,124	165,545	87.5%	163,342	89.1%
Animal Control Fund	343,669	308,462	89.8%	254,149	179.4%
Vanpool/Rideshare	233,978	199,189	85.1%	198,717	124.0%
Gas Tax (Transfers only)	840,000	840,000	100.0%	2,840,000	92.7%
Street Lighting District	2,621,169	2,480,066	94.6%	2,322,408	92.2%
Torrance Pub Fin Auth Debt Svc	3,316,408	3,316,408	100.0%	3,310,042	N/A
<b>Total External Funds</b>	<b>29,713,260</b>	<b>28,626,177</b>	<b>96.3%</b>	<b>30,217,466</b>	<b>91.7%</b>
<b>Grand Total</b>	<b>\$ 286,826,392</b>	<b>\$ 272,513,589</b>	<b>95.0%</b>	<b>\$ 265,051,621</b>	<b>95.5%</b>

# Schedule B-1

## EXPENDITURES DETAIL BY FUND - BUDGET TO ACTUAL-ALL FUNDS WITH ANNUALLY ADOPTED BUDGETS SALARIES AND BENEFITS EXPENDITURES FOR THIRTEEN PERIODS ENDED, JUNE 30, 2007 - 100% EXPIRED

	FY 06-07			FY 05-06	
	SALARIES AND BENEFITS BUDGET	SALARIES AND BENEFITS ACTUAL	% OF BUDGET TO ACTUAL	SALARIES & BENEFITS ACTUAL	% OF BUDGET TO ACTUAL
<b>GENERAL FUND</b>					
<b>BY DEPARTMENT:</b>					
Council/Commissions	\$ 188,700	\$ 179,962	95.4%	\$ 203,054	95.9%
City Manager	1,651,170	1,636,284	99.1%	1,482,057	95.4%
City Attorney	2,089,587	2,105,890	100.8% (A)	1,901,141	99.2%
City Clerk	522,644	532,995	102.0% (B)	507,837	100.8%
City Treasurer	585,663	578,981	98.9%	569,343	99.6%
Finance	3,313,876	3,046,166	91.9%	2,896,647	95.5%
Human Resources	1,618,073	1,638,398	101.3% (C)	1,543,148	94.5%
Civil Service	267,018	259,275	97.1%	215,489	93.1%
Community Development	6,482,289	6,263,013	96.6%	6,074,474	96.0%
Comm & Info Tech	3,346,880	3,127,392	93.4%	2,835,944	91.4%
General Services	2,998,217	2,870,160	95.7%	2,739,374	90.5%
Police	50,325,398	49,576,190	98.5%	48,394,398	97.5%
Fire	23,075,870	22,977,098	99.6%	22,171,583	97.0%
Public Works	6,877,034	5,946,281	86.5%	6,060,857	92.7%
Community Services	9,516,652	9,184,382	96.5%	8,906,568	94.3%
Non-Departmental (1001 only):					
Hazardous Waste	13,439	13,439	100.0%	13,377	70.4%
Non-Departmental	482,838	91,212	18.9%	110,178	71.2%
Community Improvements	5,000	-	N/A	-	N/A
HEOP ET	15,000	-	N/A	-	N/A
<b>Total General Fund</b>	<b>113,375,348</b>	<b>110,027,118</b>	<b>97.0%</b>	<b>106,625,469</b>	<b>96.2%</b>
Fleet Svcs - Oper & Maint	2,810,727	2,824,056	100.5% (D)	2,644,818	93.9%
Self-Insurance	645,400	644,424	99.8%	611,954	100.0%
<b>Total Internal Service</b>	<b>3,456,127</b>	<b>3,468,480</b>	<b>100.4%</b>	<b>3,256,772</b>	<b>95.0%</b>
Airport	1,523,836	1,424,413	93.5%	1,367,392	95.9%
Transit	12,198,123	11,144,156	91.4%	11,524,887	98.1%
Water	4,076,670	3,649,611	89.5%	3,456,902	97.6%
Emergency Medical Services	7,771,645	7,771,527	100.0%	7,093,710	98.6%
Sanitation	3,830,631	3,750,717	97.9%	3,939,780	98.7%
Cultural Arts	1,326,248	1,245,358	93.9%	1,259,349	100.0%
Sewer	599,464	507,722	84.7%	492,069	85.1%
Parks & Recreation	4,662,757	4,566,826	97.9%	4,460,831	100.3%
<b>Total Enterprise</b>	<b>35,989,374</b>	<b>34,060,330</b>	<b>94.6%</b>	<b>33,594,920</b>	<b>98.3%</b>
Employment & Training (WIN)	2,067,808	2,067,808	100.0%	2,849,408	101.5%
Home Improv Empl. Program	-	-	N/A	-	N/A
Section 8 Rental Assistance	603,300	441,870	73.2%	583,896	96.3%
Rehab Loan Program (HCD)	3,500	-	N/A	-	N/A
Redevelopment Agency	468,235	372,090	79.5%	774,023	86.0%
Cable & Comm Relations	797,722	781,052	97.9%	751,368	93.1%
Cable TV Public Access	229,311	221,650	96.7%	206,180	100.0%
Air Quality Mgmt. District	41,904	36,880	88.0%	36,039	100.0%
Animal Control Fund	231,300	221,605	95.8%	162,973	73.0%
Vanpool/Rideshare	57,400	58,623	102.1% (E)	54,156	96.4%
Street Lighting District	536,350	530,658	98.9%	515,579	96.9%
<b>Total External Funds</b>	<b>5,036,830</b>	<b>4,732,236</b>	<b>94.0%</b>	<b>5,933,622</b>	<b>95.8%</b>
<b>Grand Total</b>	<b>\$ 157,857,679</b>	<b>\$ 152,288,164</b>	<b>96.5%</b>	<b>\$ 149,410,783</b>	<b>96.6%</b>

- (A) Actual holiday leaves and other benefits are higher than budget.  
 (B) Vacation, holiday and compensatory leaves are each over budget.  
 (C) Actual amount includes payments to temporary agencies which were not budgeted.  
 (D) Industrial and compensatory leave were not budgeted.  
 (E) Clerk Typist's actual rate is higher than the composite rate used for the budget.

**Schedule B-3**

**EXPENDITURES SUMMARY - BUDGET TO ACTUAL - GENERAL FUND (1001) BY CHARACTER  
FOR THIRTEEN PERIODS ENDED, JUNE 30, 2007 - 100% EXPIRED**

	2006-07 BUDGET	EXPENDITURES WITHOUT ENCUMBRANCES	% OF BUDGET TO ACTUAL WITHOUT ENC.	ENCUMB.	% OF BUDGET TO ACTUAL WITH ENC.
Salaries and Benefits	\$ 140,377,265	\$ 119,190,744	84.9%	\$ -	84.9%
Salaries and Benefits Reimb	(27,001,917)	(9,163,626)	33.9%	-	33.9%
Materials and Supplies	12,041,830	10,352,523	86.0%	757,365	92.3%
Prof Services/Contracts/Utilities	8,534,094	7,081,216	83.0%	752,747	91.8%
Travel, Training & Membership Dues	1,032,618	747,142	72.4%	147,789	86.7%
Liabilities and Other Insurance	1,784,803	1,164,417	65.2%	134,647	72.8%
Interdepartmental Charges	2,913,283	2,913,283	100.0%	-	100.0%
Debt Service	2,857,725	2,832,529	99.1%	-	99.1%
Capital Acquisition	390,417	227,287	58.2%	137,943	93.5%
Reimb from Other Funds	(3,337,592)	(3,200,874)	95.9%	-	95.9%
Other Expenditures	121,240	121,240	100.0%	-	100.0%
Reimb - Indirect Costs	(3,928,799)	(3,768,282)	95.9%	-	95.9%
Operating Transfers Out	26,659,255	26,230,543	98.4%	102,000	98.8%
<b>Total General Fund - 1001</b>	<b>\$ 162,444,222</b>	<b>\$ 154,728,142</b>	<b>95.3%</b>	<b>\$ 2,032,491</b>	<b>96.5%</b>



## Schedule B-4

### ADOPTED BUDGET AND REVISIONS BY FUND FOR THIRTEEN PERIODS ENDED, JUNE 30, 2007 - 100% EXPIRED

	ADOPTED BUDGET FY 06-07	PRIOR YEAR ENCUMBRANCE BUDGET	BUDGET REVISIONS FY 06-07	REVISED BUDGET FY 06-07
<b>GENERAL FUND BUDGET</b>				
<b>BY DEPARTMENT:</b>				
Council/Commissions	\$ 620,465	\$ -	\$ (34,062)	\$ 586,403
City Manager	2,397,182	62,262	9,116	2,468,560
City Attorney	2,533,321	3,996	-	2,537,317
City Clerk	712,064	6,465	16,341	734,870
City Treasurer	728,512	7,500	-	736,012
Finance	4,984,534	65,270	(346)	5,049,458
Human Resources	2,282,575	227,135	15,422	2,525,132
Civil Service	352,974	901	9,000	362,875
Community Development	7,551,201	253,943	73,034	7,878,178
Comm & Info Tech	4,055,614	38,026	2,969	4,096,609
General Services	4,775,134	52,300	(22,093)	4,805,341
Police	55,419,376	144,341	(5,133)	55,558,584
Fire	24,937,207	162,435	(14)	25,099,628
Public Works	10,214,296	281,044	274,527 (A)	10,769,867
Community Services	13,287,791	74,573	11,075	13,373,439
<b>Non-Departmental (1001 only):</b>				
Insurance	25,000	3,568	-	28,568
Hazardous Waste	75,937	2,318	3,607	81,862
Community Promotion	296,122	45,000	45,768	386,890
Non-Departmental	5,553,663	-	738,520 (B)	6,292,183
Leaseback	2,857,725	-	-	2,857,725
Community Improvements	140,000	12,000	-	152,000
Transfers	9,393,339	-	6,644,382 (C)	16,037,721
HEOP ET	25,000	-	-	25,000
<b>Total General Fund</b>	<b>153,219,032</b>	<b>1,443,077</b>	<b>7,782,113</b>	<b>162,444,222</b>
<b>Internal Service</b>				
Fleet Services	5,320,519	225,894	(216,398) (D)	5,330,015
Self-insurance	3,804,132	152,435	1,257,103 (E)	5,213,670
<b>Total Internal Service</b>	<b>9,124,651</b>	<b>378,329</b>	<b>1,040,705</b>	<b>10,543,685</b>
<b>Enterprise</b>				
Airport	8,843,665	350	34,650	8,878,665
Transit	21,209,755	31,270	705,349 (F)	21,946,374
Water	22,609,034	189,279	497,418 (G)	23,295,731
Emergency Medical Svcs	8,158,776	1,226	-	8,160,002
Sanitation	10,345,508	87,901	49,669	10,483,078
Cultural Arts	1,894,698	337	(6,086)	1,888,949
Sewer	1,951,172	12,520	(3,790)	1,959,902
Parks & Recreation	7,476,952	39,757	(4,185)	7,512,524
<b>Total Enterprise</b>	<b>82,489,560</b>	<b>361,414</b>	<b>1,273,025</b>	<b>84,125,225</b>
<b>External Funds</b>				
Employment & Training (WIN)	3,871,415	-	(893,958)	2,977,457
Home Improv Empl. Program	-	-	-	-
Section 8 Rental Assistance	5,596,038	-	-	5,596,038
Rehab Loan Program (HCD)	3,700	-	-	3,700
Redevelopment Agency	11,097,147	26,144	972,552 (H)	12,095,843
Cable & Comm. Relations	1,169,606	196	(196)	1,169,606
Cable TV Public Access	326,268	280	(280)	326,268
Air Quality Mgmt. District	189,124	-	-	189,124
Animal Control Fund	340,208	3,461	-	343,669
Vanpool/Rideshare	221,760	12,218	-	233,978
Gas Tax (Transfers only)	840,000	-	-	840,000
Street Lighting District	2,560,388	45,587	15,194	2,621,169
Torrance Pub Fin Auth Debt Svc	3,316,408	-	-	3,316,408
<b>Total External Funds</b>	<b>29,532,062</b>	<b>87,886</b>	<b>93,312</b>	<b>29,713,260</b>
<b>Grand Total</b>	<b>\$ 274,365,305</b>	<b>\$ 2,270,706</b>	<b>\$ 10,189,155</b>	<b>\$ 286,826,392</b>

**Notes below explain the major budget revisions in excess of \$250,000**

- (A) Represents an increase to Sully-Miller purchase order for asphalt mix in the amount of \$235K as part of the first quarter program modifications.
- (B) Represents \$603,372 LA County administration fee on property tax.
- (C) Represents budget transfers to the Capital Improvement Fund for NPDES related FEAPS (\$950K) and another for Library stacks and remodel (\$1,077K). This amount also includes a budget transfer to Fleet Services for replacement of two heavy-duty vehicle hoists (\$398K). In Period 6 a \$3.8 million adjustment was included to allocate the FY2005/06 carryover and approve first quarter program modifications to various departments.
- (D) Represents vehicle acquisition reimbursements and parts inventory contra account amounts needed to offset expenditures budget.
- (E) Represents appropriation for settlement of lawsuit.
- (F) Includes \$335,781 increase in the Transit budget for fuel use, \$211,627 loss on the sale of a hybrid electric bus and \$154,900 in Prop A Exchange with the City of San Gabriel.
- (G) Includes \$500,000 increase in Water Costs which are offset by a corresponding increase in Water Revenues per Council Item 8H date 5/8/07.
- (H) Represents appropriation for payment of Bond principal and interest from the RDA to the City.

## Schedule C

### INTERNAL SERVICE & ENTERPRISE FUND REVENUE SUMMARY-BUDGET TO ACTUAL FOR THIRTEEN PERIODS ENDED, JUNE 30, 2007 - 100% EXPIRED

	FY 06-07						FY 05-06	
	Budget	Budgeted Use of Fund Bal	Add Back Depr	Total Budget	Year-To-Date Actual	% of Budget to Actual	Year-To-Date Actual	% of Budget to Actual
Fleet Svcs - Oper & Maint	\$ 3,541,127	\$ -	\$ 10,199	\$ 3,551,326	\$ 3,536,263	99.6%	\$ 3,423,231	97.3%
Fleet Svcs - Replacement	2,724,992	-	1,870,301	4,595,293	4,433,905	96.5%	5,495,644	114.4%
Self-Insurance	4,197,070	-	-	4,197,070	4,286,566	102.1%	3,344,540	100.7%
<b>Total Internal Service</b>	<b>10,463,189</b>	<b>-</b>	<b>1,880,500</b>	<b>12,343,689</b>	<b>12,256,734</b>	<b>99.3%</b>	<b>12,263,415</b>	<b>105.3%</b>
Airport	10,757,500	-	280,955	11,038,455	11,301,510	102.4%	9,419,019	108.4%
Transit	18,296,192	1,523,182	2,127,000	21,946,374	22,216,515	101.2%	22,114,693	103.8%
Water	23,485,300	-	1,243,800	24,729,100	24,423,997	98.8%	23,467,999	102.1%
Emergency Medical Svcs	8,158,776	1,226	-	8,160,002	8,183,566	100.3%	7,606,824	97.0%
Sanitation	9,911,458	571,620	23,880	10,506,958	10,808,100	102.9%	10,483,209	100.1%
Cultural Arts	1,625,186	263,763	8,200	1,897,149	1,775,594	93.6%	1,709,592	93.2%
Sewer	2,085,227	-	1,005,000	3,090,227	3,770,786	122.0%	2,855,663	97.5%
Parks & Recreation	7,262,686	-	-	7,262,686	7,327,841	100.9%	6,871,168	99.2%
<b>Total Enterprise</b>	<b>\$ 81,582,325</b>	<b>\$ 2,359,791</b>	<b>\$ 4,688,835</b>	<b>\$ 88,630,951</b>	<b>\$ 89,807,909</b>	<b>101.3%</b>	<b>\$ 84,528,167</b>	<b>101.8%</b>

NOTE: BUDGET TO ACTUAL VARIANCES CAN BE FOUND ON SUBSEQUENT FINANCIAL STATEMENTS.

# Schedule D-1

## FLEET SERVICES - COMBINED FUNDS

### STATEMENT OF REVENUES AND EXPENSES-BUDGET TO ACTUAL FOR THIRTEEN PERIODS ENDED, JUNE 30, 2007 - 100% EXPIRED

	Annual Budget	Year-To-Date Actual Without Enc.	Budget % Without Enc.	2006 Year-To-Date Actual Without Enc.	2006 Budget % Without Enc.
<b>OPERATING REVENUES</b>					
Charges for services	\$ 5,395,655	\$ 5,651,400	104.7%	\$ 5,663,592	110.9%
<b>Total Operating Revenues</b>	<b>5,395,655</b>	<b>5,651,400</b>	<b>104.7%</b>	<b>5,663,592</b>	<b>110.9%</b>
<b>OPERATING EXPENSES:</b>					
Salaries and employee benefits	2,810,727	2,824,056 (A)	100.5%	2,644,818	105.5%
Materials and supplies	428,257	381,943 (B)	89.2%	400,078	26.2%
Other Professional Services	78,734	59,421 (C)	75.5%	37,196	244.5%
Depreciation	1,852,939	1,111,260 (D)	60.0%	2,423,905	128.9%
Interdepartmental charges	104,004	104,004	100.0%	104,104	45.7%
Liability and claims	23,943	7,555 (E)	31.6%	7,869	117.6%
Other	13,109	12,637	96.4%	14,822	166.5%
<b>Total Operating Expenses</b>	<b>5,311,713</b>	<b>4,500,876</b>	<b>84.7%</b>	<b>5,632,792</b>	<b>103.1%</b>
<b>OPERATING INCOME (LOSS)</b>	<b>83,942</b>	<b>1,150,524</b>	<b>1370.6%</b>	<b>30,800</b>	<b>108.7%</b>
<b>NON-OPERATING REVENUES</b>					
Interest income - Operations	200,000	512,717 (F)	256.4%	296,101	296.1%
Gain from sale of fixed assets	80,464	104,791 (G)	130.2%	60,131	N/A
<b>Total Non-Operating Revenues</b>	<b>280,464</b>	<b>617,508</b>	<b>220.2%</b>	<b>356,232</b>	<b>197.4%</b>
<b>Income (Loss) before transfers</b>	<b>364,406</b>	<b>1,768,032</b>	<b>485.2%</b>	<b>387,032</b>	<b>320.9%</b>
<b>OPERATING TRANSFERS IN</b>	<b>590,000</b>	<b>590,000</b>	<b>100.0%</b>	<b>475,146</b>	<b>188.0%</b>
<b>OPERATING TRANSFERS OUT</b>	<b>(18,303)</b>	<b>(18,303)</b>	<b>100.0%</b>	<b>(16,400)</b>	<b>212.9%</b>
<b>NET INCOME (LOSS) BEFORE VEHICLE ACQUISITIONS</b>	<b>936,103</b>	<b>2,339,729</b>	<b>249.9%</b>	<b>845,778</b>	<b>2195.2%</b>
<b>VEHICLE ACQUISITIONS</b>	<b>(3,649,358)</b>	<b>(1,813,313) (H)</b>	<b>49.7%</b>	<b>(901,896)</b>	<b>36.8%</b>
<b>ADD: DEPRECIATION</b>	<b>1,852,939</b>	<b>1,111,260</b>	<b>60.0%</b>	<b>2,423,905</b>	<b>128.9%</b>
<b>CHANGE IN CASH AVAILABLE AFTER VEHICLE ACQUISITIONS AND ADDITION OF DEPRECIATION</b>	<b>\$ (860,316)</b>	<b>\$ 1,637,676</b>	<b>N/A</b>	<b>\$ 2,367,787</b>	<b>N/A</b>
<b>FUEL AND PARTS INVENTORY</b>					
Parts Inventory Purchases	\$ (1,536,414)	\$ (1,196,126) (I)	77.9%	\$ (1,136,278)	77.1%
Fuel Inventory Purchases	(1,000,000)	(1,195,016) (J)	119.5%	(960,674)	96.1%
<b>Total Parts &amp; Fuel Inventory Purchases</b>	<b>\$ (2,536,414)</b>	<b>\$ (2,391,142)</b>	<b>94.3%</b>	<b>\$ (2,096,952)</b>	<b>84.8%</b>

(A) Total Industrial Leave, for which no budget is set up, amounts to \$23,852.

Compensatory Leave, for which no budget is set up, amounts to \$15,632.

(B) Encumbrances for Materials and Supplies total \$44,724.

(C) Encumbrances for Professional Services total \$15,163.

(D) Fiscal year-end Depreciation reduction adjustment was posted in the amount of \$667,981.

(E) There were no liability claims as of period 13. The amount shown reflects claims administration charges through period 13.

(F) Over the past years, fewer vehicles were purchased than budgeted, resulting in a higher than anticipated cash balance.

(G) Proceeds received from Ken Porter Auctions for vehicle sales was higher than anticipated.

(H) Encumbrances for Vehicle Acquisitions total \$1,804,544.

(I) Encumbrances for Parts Inventory total \$95,598.

(J) Fuel inventory expenditures are higher in FY 06-07 partly because the unleaded fuel pumps were out of service in FY 05-06 and the departments' unleaded fuel was purchased from outside vendors until February 2006.

***FLEET SERVICES FUND - COMBINED***  
**STATEMENT OF CASH FLOWS**  
**FOR THIRTEEN PERIODS ENDED, JUNE 30, 2007**

***Cash flows from operating activities***

Operating income	\$1,150,524	
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation and amortization	1,111,260	
(Increase) in accounts receivable	(23,650)	
Decrease in prepayments	9,429	
(Increase) in inventory	(43,931)	
(Decrease) in accounts payable	(230,199)	
(Increase) in interest receivable	(52,111)	
Increase in accrued liabilities	323,988	
	<hr/>	
<b><i>Net cash provided by operating activities</i></b>		<b>\$2,245,310</b>

***Cash flows from capital and related financing activities***

Capital project cash transfer	(29,396)	
Capital expenditures	(1,813,313)	
Proceeds from sale of fixed assets	104,791	
	<hr/>	
<b><i>Net cash used by capital and related financing activities</i></b>		<b>(1,737,918)</b>

***Cash flows from noncapital financing activities***

Operating transfers in	590,000	
Operating transfers out	(18,303)	
	<hr/>	
<b><i>Net cash provided by noncapital financing activities</i></b>		<b>571,697</b>

***Cash flows from investing activities***

Interest on investments	512,717	
	<hr/>	
<b><i>Net cash provided by investing activities</i></b>		<b>512,717</b>

<b><i>Net change in cash</i></b>	<hr/>	<b>1,591,806</b>
----------------------------------	-------	------------------

<b>Cash, and cash equivalents, July 1, 2006</b>	<hr/>	<b>9,711,108</b>
---	-------	------------------

<b>Cash and cash equivalents, June 30, 2007</b>	<hr/> <hr/>	<b>\$11,302,914</b>
---	-------------	---------------------

## Schedule D-3

### FLEET - OPERATIONS AND MAINTENANCE

#### STATEMENT OF REVENUES AND EXPENSES-BUDGET TO ACTUAL FOR THIRTEEN PERIODS ENDED, JUNE 30, 2007 - 100% EXPIRED

	Annual Budget	Year-To-Date Actual Without Enc.	Budget % Without Enc.	2006 Year-To-Date Actual Without Enc.	2006 Budget % Without Enc.
<b>OPERATING REVENUES</b>					
Rental Income	\$ 7,020	\$ 6,480	92.3%	\$ 7,215	102.8%
Charges for services	2,984,107	2,969,584	99.5%	2,955,817	99.1%
<b>Total Operating Revenues</b>	<b>2,991,127</b>	<b>2,976,064</b>	<b>99.5%</b>	<b>2,963,032</b>	<b>99.1%</b>
<b>OPERATING EXPENSES:</b>					
Salaries and employee benefits	2,810,727	2,824,056 (A)	100.5%	2,644,818	93.9%
Materials and supplies	428,257	381,943 (B)	89.2%	400,078	91.4%
Depreciation	10,199	10,199	100.0%	10,199	100.0%
Professional Services	78,734	59,421 (C)	75.5%	37,196	46.1%
Interdepartmental charges	104,004	104,004	100.0%	104,104	100.0%
Liability and claims	23,943	7,555 (D)	31.6%	7,869	32.9%
Other	13,109	12,637	96.4%	14,822	90.4%
<b>Total Operating Expenses</b>	<b>3,468,973</b>	<b>3,399,815</b>	<b>98.0%</b>	<b>3,219,086</b>	<b>92.2%</b>
<b>Income (Loss) before transfers</b>	<b>(477,846)</b>	<b>(423,751)</b>	<b>88.7%</b>	<b>(256,054)</b>	<b>51.2%</b>
<b>OPERATING TRANSFERS IN</b>	<b>550,000</b>	<b>550,000</b>	<b>100.0%</b>	<b>450,000</b>	<b>100.0%</b>
<b>OPERATING TRANSFERS OUT</b>	<b>(18,303)</b>	<b>(18,303)</b>	<b>100.0%</b>	<b>(16,400)</b>	<b>89.6%</b>
<b>NET INCOME (LOSS)</b>	<b>\$ 53,851</b>	<b>\$ 107,946</b>	<b>200.5%</b>	<b>\$ 177,546</b>	<b>N/A</b>
<b>ADD: DEPRECIATION</b>	<b>10,199</b>	<b>10,199</b>	<b>100.0%</b>	<b>10,199</b>	<b>95.0%</b>
<b>CHANGE IN CASH AVAILABLE AFTER ADDITION OF DEPRECIATION</b>	<b>\$ -</b>	<b>\$118,145</b>	<b>N/A</b>	<b>\$187,745</b>	<b>N/A</b>
<b>FUEL AND PARTS INVENTORY</b>					
Parts Inventory Purchases	\$ (1,536,414)	\$ (1,196,126) (E)	77.9%	\$ (1,136,278)	77.1%
Fuel Inventory Purchases	(1,000,000)	(1,195,016) (F)	119.5%	(960,674)	96.1%
<b>Total Parts &amp; Fuel Inventory Purchases</b>	<b>\$ (2,536,414)</b>	<b>\$ (2,391,142)</b>	<b>94.3%</b>	<b>\$ (2,096,952)</b>	<b>84.8%</b>

(A) Total Industrial Leave, for which no budget is set up, amounts to \$23,852.

Compensatory Leave, for which no budget is set up, amounts to \$15,632.

(B) Encumbrances for Materials and Supplies total \$44,724.

(C) Encumbrances for Professional Services total \$15,163.

(D) There were no liability claims as of period 13. The amount shown reflects claims administration charges through period 13.

(E) Encumbrances for Parts Inventory total \$95,598.

(F) Fuel inventory expenditures are higher in FY 06-07 partly because the unleaded fuel pumps were out of service in FY 05-06 and the departments' unleaded fuel was purchased from outside vendors until February 2006.

***FLEET - OPERATIONS AND MAINTENANCE***  
**STATEMENT OF CASH FLOWS**  
**FOR THIRTEEN PERIODS ENDED, JUNE 30, 2007**

***Cash flows from operating activities***

Operating loss	(\$423,751)
Adjustments to reconcile operating loss to net cash used by operating activities	
Depreciation and amortization	10,199
Decrease in prepayments	9,429
(Increase) in inventory	(43,931)
(Decrease) in accounts payable	(230,199)
Increase in accrued liabilities	244,199
	<hr/>

***Net cash used by operating activities*** (\$434,054)

***Cash flows from noncapital financing activities***

Operating transfers in	550,000
Operating transfers out	(18,303)
	<hr/>

***Net cash provided by noncapital financing activities*** 

---

531,697

***Net change in cash*** 97,643

Cash, and cash equivalents, July 1, 2006 

---

(128,884)

Cash and cash equivalents, June 30, 2007 

---

---

(\$31,241)

**Schedule D-5**

***FLEET - VEHICLE REPLACEMENT FUND***

**STATEMENT OF REVENUES AND EXPENSES-BUDGET TO ACTUAL  
FOR THIRTEEN PERIODS ENDED, JUNE 30, 2007 - 100% EXPIRED**

	<i>Annual Budget</i>	<i>Year-To-date Actual Without Enc.</i>	<i>Budget % Without Enc.</i>	<i>2006 Year-to-date Actual Without Enc.</i>	<i>2006 Budget % Without Enc.</i>
<b>OPERATING REVENUES</b>					
Charges for services	\$ 2,404,528	\$ 2,675,336	111.3%	\$ 2,700,560	112.3%
<b>Total Operating Revenues</b>	2,404,528	2,675,336	111.3%	2,700,560	112.3%
<b>OPERATING EXPENSES:</b>					
Depreciation	1,842,740	1,101,061 (A)	59.8%	2,413,706	129.1%
<b>Total Operating Expenses</b>	1,842,740	1,101,061	59.8%	2,413,706	129.1%
<b>OPERATING INCOME (LOSS)</b>	561,788	1,574,275	280.2%	286,854	53.7%
<b>NON-OPERATING REVENUES</b>					
Interest income - Operations	200,000	512,717 (B)	256.4%	296,101	296.1%
Gain from sale of fixed assets	80,464	104,791 (C)	130.2%	60,131	74.7%
<b>Total Non-Operating Revenues</b>	280,464	617,508	220.2%	356,232	197.4%
<b>Income (Loss) before transfers</b>	842,252	2,191,783	260.2%	643,086	90.0%
<b>OPERATING TRANSFERS IN</b>	40,000	40,000	100.0%	25,146	100.0%
<b>OPERATING TRANSFERS OUT</b>	-	-	N/A	-	N/A
<b>NET INCOME (LOSS) BEFORE VEHICLE ACQUISITIONS</b>	882,252	2,231,783	253.0%	668,232	90.3%
<b>VEHICLE ACQUISITIONS</b>	(3,649,358)	(1,813,313) (D)	49.7%	(901,896)	30.8%
<b>ADD: DEPRECIATION</b>	1,842,740	1,101,061	59.8%	2,413,706	129.1%
<b>CHANGE IN CASH AVAILABLE AFTER VEHICLE ACQUISITIONS AND ADDITION OF DEPRECIATION</b>	\$ (924,366)	\$ 1,519,531	N/A	\$ 2,180,042	N/A

(A) Fiscal year-end Depreciation reduction adjustment was posted in the amount of \$667,981.

(B) Over the past years, fewer vehicles were purchased than budgeted, resulting in a higher than anticipated cash balance.

(C) Proceeds received from Ken Porter Auctions for vehicle sales was higher than anticipated.

(D) Encumbrances for Vehicle Acquisitions total \$1,804,544.

***FLEET - VEHICLE REPLACEMENT FUND***  
**STATEMENT OF CASH FLOWS**  
**FOR THIRTEEN PERIODS ENDED, JUNE 30, 2007**

***Cash flows from operating activities***

Operating income	\$1,574,275
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation and amortization	1,101,061
(Increase) in accounts receivable	(23,650)
(Increase) in interest receivable	(52,111)
Increase in accrued liabilities	79,789
	<hr/>

***Net cash provided by operating activities*** \$2,679,364

***Cash flows from capital and related financing activities***

Capital project cash transfer	(29,396)
Capital expenditures	(1,813,313)
Proceeds from sale of fixed assets	104,791
	<hr/>

***Net cash used by capital and related financing activities*** (1,737,918)

***Cash flows from noncapital financing activities***

Operating transfers in	40,000
	<hr/>

***Net cash provided by noncapital financing activities*** 40,000

***Cash flows from investing activities***

Interest on investments	512,717
	<hr/>

***Net cash provided by investing activities*** 

---

512,717

***Net change in cash*** 1,494,163

**Cash, and cash equivalents, July 1, 2006** 

---

9,839,992

**Cash and cash equivalents, June 30, 2007** 

---

---

\$11,334,155



**SELF-INSURANCE FUND****BALANCE SHEET****JUNE 30, 2007**

	<u>June 30, 2007</u>
<b>ASSETS</b>	
Pooled Cash and Investments	\$6,234,419
Restricted cash	7,937
<i>Total Current Assets</i>	<span style="border: 1px solid black;">6,242,356</span>
Advances to Other Funds	4,000,000
<b>Total Assets</b>	<span style="border: 1px solid black;">\$10,242,356</span>
<b>LIABILITIES AND FUND EQUITY</b>	
<b>Current Liabilities</b>	
Accounts Payable	\$16,196
Accrued Liability for Self-Insurance Claims-current	2,603,960
<i>Total Current Liabilities</i>	<span style="border: 1px solid black;">2,620,156</span>
Accrued Liability for Self-Insurance Claims-long-term	20,273,384
<b>Total Liabilities</b>	<span style="border: 1px solid black;">22,893,540</span>
<b>Fund Equity (Deficit)</b>	
Retained Earnings (Deficit)	(12,651,184)
<b>Total Fund Equity (Deficit)</b>	<span style="border: 1px solid black;">(12,651,184)</span>
<b>Total Liabilities and Fund Equity (Deficit)</b>	<span style="border: 1px solid black;">\$10,242,356</span>

**SELF-INSURANCE FUND****STATEMENT OF REVENUES AND EXPENSES-BUDGET TO ACTUAL  
FOR THIRTEEN PERIODS ENDED JUNE 30, 2007 - 100.0% EXPIRED**

	(A) Annual Budget	Year-To-date Actual Without Enc.	Budget % Without Enc.	2006 Year-to-date Actual Without Enc.	2006 Budget % Without Enc.
<b>OPERATING REVENUES</b>					
Charges for services	\$2,402,688	\$2,492,184	103.7%	\$2,424,540	100.9%
<b>Total Operating Revenues</b>	<b>2,402,688</b>	<b>2,492,184</b>	<b>103.7%</b>	<b>2,424,540</b>	<b>100.9%</b>
<b>OPERATING EXPENSES:</b>					
Salaries and employee benefits	645,400	644,424	99.8%	611,954	100.0%
1/3 Savings-WC/Liab Incentives	7,103	7,103	100.0%	282,319	95.2%
Services and supplies	20,995	7,655 (B)	36.5%	13,489	99.3%
Other professional services	92,168	63,662 (B)	69.1%	53,483	79.8%
Insurance and claims	4,421,378	4,216,154	95.4%	3,195,822	98.7%
Interdepartmental charges	11,826	11,826	100.0%	11,826	100.0%
Other	6,800	6,727	98.9%	5,568	99.4%
<b>Total Operating Expenses</b>	<b>5,205,670</b>	<b>4,957,551</b>	<b>95.2%</b>	<b>4,174,461</b>	<b>98.4%</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(2,802,982)</b>	<b>(2,465,367)</b>	<b>88.0%</b>	<b>(1,749,921)</b>	<b>95.0%</b>
<b>OPERATING TRANSFERS IN</b>	<b>1,794,382</b>	<b>1,794,382</b>	<b>100.0%</b>	<b>920,000</b>	<b>100.0%</b>
<b>OPERATING TRANSFERS (OUT)</b>	<b>(8,000)</b>	<b>(8,000)</b>	<b>100.0%</b>	<b>(177,684)</b>	<b>100.0%</b>
<b>NET INCOME (LOSS)</b>	<b>\$ (1,016,600)</b>	<b>\$ (678,985)</b>	<b>66.8%</b>	<b>\$ (1,007,605)</b>	<b>91.7%</b>

(A) The annual budget includes prior year encumbrances of \$144,622.

(B) Actual medical services/supplies and professional fees decreased during the year.

***SELF-INSURANCE FUND***  
**STATEMENT OF CASH FLOWS**  
**FOR THIRTEEN PERIODS ENDED JUNE 30, 2007**

***Cash flows from operating activities***

Operating loss	(\$2,465,367)	
Adjustments to reconcile operating loss to net cash used by operating activities		
Decrease in other prepayments	34,643	
(Decrease) in accounts payable	(14,579)	
Increase in accrued liabilities	11,015	
	<u>11,015</u>	
<b><i>Net cash used by operating activities</i></b>		<u><b>(\$2,434,288)</b></u>

***Cash flows from noncapital financing activities***

Operating transfers in	1,794,382	
Operating transfers out	(8,000)	
	<u>(8,000)</u>	
<b><i>Net cash provided by noncapital financing activities</i></b>		<u><b>1,786,382</b></u>
<b><i>Net change in cash</i></b>		<b>(647,906)</b>

Cash and cash equivalents, July 1, 2006	<u>6,890,262</u>
Cash and cash equivalents, June 30, 2007	<u><u><b>\$6,242,356</b></u></u>

Schedule F

***AIRPORT FUND***

***BALANCE SHEET***

***June 30, 2007***

	<b><i>June 30, 2007</i></b>
<b><i>ASSETS</i></b>	
Pooled Cash and Investments	\$7,128,382
Accounts Receivable	269,475
Interest Receivable	83,349
<b><i>Total Current Assets</i></b>	<b>7,481,206</b>
Property, Plant and Equipment, net	6,584,479
<b><i>Total Assets</i></b>	<b>\$14,065,685</b>
<b><i>LIABILITIES AND FUND EQUITY</i></b>	
<b><i>Current Liabilities</i></b>	
Accounts Payable	\$83,171
Accrued Liabilities	\$94,678
Unearned Revenue	142,200
<b><i>Total Current Liabilities</i></b>	<b>320,049</b>
<b><i>Total Liabilities</i></b>	<b>320,049</b>
<b><i>Fund Equity</i></b>	
Unreserved Retained Earnings	13,745,636
<b><i>Total Fund Equity</i></b>	<b>13,745,636</b>
<b><i>Total Liabilities and Fund Equity</i></b>	<b>\$14,065,685</b>

**Schedule F-1**

**AIRPORT FUND**  
**STATEMENT OF REVENUES AND EXPENSES - BUDGET TO ACTUAL**  
**FOR THIRTEEN PERIODS ENDED JUNE 30, 2007 100.0% EXPIRED**

	<b>Annual Budget</b>	<b>Year-to-Date Actual Without Enc.</b>	<b>Budget % Without Enc.</b>	<b>2006 Year-to-Date Actual Without Enc.</b>	<b>2006 Budget % Without Enc.</b>
<b>OPERATING REVENUES</b>					
Leased land area rentals	\$ 8,309,500	\$ 8,405,553	101.2%	\$ 6,768,380	109.9%
Hangar and building rentals	2,127,000	2,184,838	102.7%	2,077,039	101.5%
Airfield fees and charges	163,000	182,852 (A)	112.2%	163,665	107.7%
Other	8,000	20,613 (B)	257.7%	13,339	166.7%
<b>Total Operating Revenues</b>	<b>10,607,500</b>	<b>10,793,856</b>	<b>101.8%</b>	<b>9,022,423</b>	<b>107.9%</b>
<b>OPERATING EXPENSES</b>					
Salaries and employee benefits	1,523,836	1,424,413 (C)	93.5%	1,367,392	95.9%
Services and supplies	377,172	357,672 (D)	94.8%	333,026	86.7%
Other professional services	418,403	254,821 (D)	60.9%	268,510	84.7%
Depreciation and amortization	280,955	230,657 (E)	82.1%	260,038	91.3%
Insurance and Claims	28,169	24,671	87.6%	26,341	93.5%
Interdepartmental charges	605,953	605,496	99.9%	597,675	99.4%
Property tax in lieu, leased land rental	1,850,000	1,850,000	100.0%	1,850,000	100.0%
Other	33,950	10,948 (D)	32.2%	8,018	26.6%
<b>Total Operating Expenses</b>	<b>5,118,438</b>	<b>4,758,678</b>	<b>93.0%</b>	<b>4,711,000</b>	<b>95.7%</b>
<b>OPERATING INCOME (LOSS)</b>	<b>5,489,062</b>	<b>6,035,178</b>	<b>109.9%</b>	<b>4,311,423</b>	<b>125.2%</b>
<b>NON-OPERATING REVENUES</b>					
Interest income - Operations	150,000	276,997 (F)	184.7%	136,558	341.4%
<b>Total Non-Operating Revenues</b>	<b>150,000</b>	<b>276,997</b>	<b>184.7%</b>	<b>136,558</b>	<b>341.4%</b>
<b>NON-OPERATING EXPENSES</b>					
Interest expense	204,764	204,764	100.0%	223,379	100.0%
<b>Income (Loss) before transfers</b>	<b>5,434,298</b>	<b>6,107,411</b>	<b>112.4%</b>	<b>4,224,602</b>	<b>129.5%</b>
<b>OPERATING TRANSFERS OUT</b>	<b>(3,555,463)</b>	<b>(3,555,463)</b>	<b>100.0%</b>	<b>(2,455,463)</b>	<b>100.0%</b>
<b>NET INCOME (LOSS)</b>	<b>\$ 1,878,835</b>	<b>\$ 2,551,948</b>	<b>135.8%</b>	<b>\$ 1,769,139</b>	<b>219.6%</b>

- (A) Tiedown fees are running higher than what was budgeted. The budget for 2007/08 was increased by \$24,000.
- (B) Revenues are higher than budget due to an increase usage of the Airport facilities for filming activities.
- (C) One of the Aeronautical employees who charges 100% of their time was off on a leave last fall for three months.
- (D) The budget for service, supplies, other professional services and travel has not been fully utilized due to timing.
- (E) No major capital expenditures have occurred in the prior year or in the current year as a result depreciation is lower than anticipated.
- (F) The interest earnings are higher than anticipated due to a higher cash balance. The 2007/08 budget was increased by \$50,000.

## Schedule F-2

### AIRPORT - AERONAUTICAL STATEMENT OF REVENUES AND EXPENSES - BUDGET TO ACTUAL FOR THIRTEEN PERIODS ENDED JUNE 30, 2007 100.0% EXPIRED

	Annual Budget	Year-to-Date Actual Without Enc.	Budget % Without Enc.	2006 Year-to-Date Actual Without Enc.	2006 Budget % Without Enc.
<b>OPERATING REVENUES</b>					
Leased land area rentals	\$ 1,036,000	\$ 1,077,850	104.0%	\$ 945,561	101.8%
Hangar and building rentals	2,127,000	2,184,838	102.7%	2,077,039	101.5%
Airfield fees and charges	163,000	182,852 (A)	112.2%	163,665	107.7%
Other	8,000	20,613 (B)	257.7%	13,339	166.7%
<b>Total Operating Revenues</b>	<b>3,334,000</b>	<b>3,466,153</b>	<b>104.0%</b>	<b>3,199,604</b>	<b>102.1%</b>
<b>OPERATING EXPENSES</b>					
Salaries and employee benefits	1,313,808	1,217,837 (C)	92.7%	1,168,555	95.0%
Services and supplies	361,099	341,599 (D)	94.6%	316,953	86.1%
Other Professional services	309,391	179,603 (D)	58.1%	193,358	92.9%
Depreciation and amortization	280,955	230,657 (E)	82.1%	260,038	91.3%
Insurance and claims	28,169	24,671	87.6%	26,341	93.5%
Interdepartmental charges	605,953	605,496	99.9%	597,675	99.4%
Payment to City in lieu of taxes	250,000	250,000	100.0%	250,000	100.0%
Other	9,500	1,741 (D)	18.3%	789	13.2%
<b>Total Operating Expenses</b>	<b>3,158,875</b>	<b>2,851,604</b>	<b>90.3%</b>	<b>2,813,709</b>	<b>94.5%</b>
<b>OPERATING INCOME (LOSS)</b>	<b>175,125</b>	<b>614,549</b>	<b>350.9%</b>	<b>385,895</b>	<b>243.3%</b>
<b>NON-OPERATING EXPENSES</b>					
Interest expense	204,764	204,764	100.0%	223,379	100.0%
<b>Total Non-Operating Expenses</b>	<b>204,764</b>	<b>204,764</b>	<b>100.0%</b>	<b>223,379</b>	<b>100.0%</b>
<b>Income (Loss) before transfers</b>	<b>(29,639)</b>	<b>409,785</b>	<b>1482.6%</b>	<b>162,516</b>	<b>350.8%</b>
<b>OPERATING TRANSFERS OUT</b>	<b>(11,200)</b>	<b>(11,200)</b>	<b>100.0%</b>	<b>(11,200)</b>	<b>100.0%</b>
<b>NET INCOME (LOSS)</b>	<b>\$ (40,839)</b>	<b>\$ 398,585</b>	<b>1076.0%</b>	<b>\$ 151,316</b>	<b>299.1%</b>

(A) Tiedown fees are running higher than what was budgeted. The budget for 2007/08 was increased by \$24,000.

(B) Revenues are higher than budget due to an increase usage of the Airport facilities for filming activities.

(C) One of the Aeronautical employees who charges 100% of their time was off on a leave last fall for three months.

(D) The budget for service, supplies, other professional services and travel has not been fully utilized due to timing.

(E) No major capital expenditures have occurred in the prior year or in the current year as a result depreciation is lower than anticipated.

# Schedule F-3

## *AIRPORT - NON-AERONAUTICAL* STATEMENT OF REVENUES AND EXPENSES - BUDGET TO ACTUAL FOR THIRTEEN PERIODS ENDED JUNE 30, 2007 100.0% EXPIRED

	Annual Budget	Year-to-Date Actual Without Enc.	Budget % Without Enc.	2006 Year-to-Date Actual Without Enc.	2006 Budget % Without Enc.
<b>OPERATING REVENUES</b>					
Leased land area rentals	\$ 7,273,500	\$ 7,327,703	100.7%	\$ 5,822,819	111.3%
<b>Total Operating Revenues</b>	7,273,500	7,327,703	100.7%	5,822,819	111.3%
<b>OPERATING EXPENSES</b>					
Salaries and employee benefits	210,028	206,576	98.4%	198,837	102.0%
Services and supplies	16,073	16,073	100.0%	16,073	100.0%
Other Professional services	109,012	75,218 (A)	69.0%	75,152	68.9%
Leased Land Rental	1,600,000	1,600,000	100.0%	1,600,000	100.0%
Other	24,450	9,207 (A)	37.7%	7,229	29.9%
<b>Total Operating Expenses</b>	1,959,563	1,907,074	97.3%	1,897,291	97.6%
<b>OPERATING INCOME (LOSS)</b>	5,313,937	5,420,629	102.0%	3,925,528	119.5%
<b>NON-OPERATING REVENUES</b>					
Interest income - Operations	150,000	276,997 (B)	184.7%	136,558	341.4%
<b>Total Non-Operating Revenues</b>	150,000	276,997	184.7%	136,558	341.4%
<b>Income (Loss) before transfers</b>	5,463,937	5,697,626	104.3%	4,062,086	122.1%
<b>OPERATING TRANSFERS OUT</b>	(3,544,263)	(3,544,263)	100.0%	(2,444,263)	100.0%
<b>NET INCOME (LOSS)</b>	\$ 1,919,674	\$ 2,153,363	112.2%	\$ 1,617,823	183.5%

(A) The budget for other professional services, travel and training has not been fully utilized due to timing.

(B) The interest earnings are higher than anticipated due to a higher cash balance. The 2007/08 budget was increased by \$50,000.

**AIRPORT FUND**  
**STATEMENT OF CASH FLOWS**  
**FOR THIRTEEN PERIODS ENDED JUNE 30, 2007**

**Cash flows from operating activities**

Operating income	\$6,035,178	
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation and amortization	230,657	
(Increase) in accounts receivable	(35,599)	
Decrease in prepaids	1,883	
(Increase) in interest receivable	(33,366)	
(Decrease) in accounts payable	(22,356)	
Increase in deposits payable	21,986	
Increase in retainage payable	32,630	
(Decrease) in deferred liabilities	(63,313)	
Increase in accrued liabilities	30,514	
<b>Net cash provided by operating activities</b>		\$6,198,214

**Cash flows from capital and related financing activities**

Capital expenditures	(951,173)	
Interest expense	(204,764)	
<b>Net cash used by capital and related financing</b>		(1,155,937)

**Cash flows from noncapital financing activities**

Operating transfer out	(3,555,463)	
<b>Net cash used by noncapital financing activities</b>		(3,555,463)

**Cash flows from investing activities**

Interest on investments	276,997	
<b>Net change in cash</b>		1,763,811

Cash and cash equivalents, July 1, 2006

5,364,571

Cash and cash equivalents, June 30, 2007

\$7,128,382



**TRANSIT FUND****BALANCE SHEET  
JUNE 30, 2007**

	<u>June 30, 2007</u>
<b>ASSETS</b>	
Pooled Cash and Investments	\$4,231,226
Accounts Receivable	187
Accrued interest receivable	49,077
Inventory	840,430
Due from other Governments	2,572,075
Prepayments	2,484
<b>Total Current Assets</b>	<b>7,695,479</b>
Property, Plant and Equipment, net	11,238,237
<b>Total Assets</b>	<b>\$18,933,716</b>
<b>LIABILITIES AND FUND EQUITY</b>	
<b>Current Liabilities</b>	
Accounts Payable	\$2,569
Accrued Liabilities	\$498,301
Accrued Salaries and Benefits Payable	992,703
<b>Total Current Liabilities</b>	<b>1,493,573</b>
Deferred Liability	365,464
<b>Total Liabilities</b>	<b>1,859,037</b>
<b>Fund Equity</b>	
Retained Earnings - Unreserved	17,074,679
<b>Total Fund Equity</b>	<b>17,074,679</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$18,933,716</b>

# Schedule G-1

## TRANSIT FUND OPERATING SUMMARY STATEMENT OF REVENUES AND EXPENSES - BUDGET TO ACTUAL FOR THIRTEEN PERIODS ENDED JUNE 30, 2007 - 100.0% EXPIRED

	(A) Annual Budget	Year-to-date Actual Without Enc.	Budget % W/O Enc.	2006 Year-to-date Actual Without Enc.	2006 Budget % W/O Enc.
<b>OPERATING REVENUES</b>					
Passenger cash fares	\$ 2,411,700	\$ 2,394,270	99.3%	\$ 2,275,383	89.2%
Special bus service	6,921	2,477 (B)	35.8%	2,790	40.3%
Advertising	145,864	155,472 (C)	106.6%	153,619	113.1%
Miscellaneous	3,203	5,926 (D)	185.0%	5,523	172.4%
<b>Total Operating Revenues</b>	<b>2,567,688</b>	<b>2,558,145</b>	<b>99.6%</b>	<b>2,437,315</b>	<b>90.3%</b>
<b>NON-OPERATING REVENUES</b>					
SB-325 allocation	5,291,526	5,291,526	100.0%	5,073,431	100.0%
5% Security	255,812	203,343 (E)	79.5%	174,351	71.2%
Proposition A Discretionary	3,167,208	3,167,208	100.0%	3,248,479	100.0%
Prop. C Disc. - Svc Exp	209,649	209,649	100.0%	193,243	100.0%
Prop. C Disc. - Shortfall & Zone M	122,668	122,668	100.0%	140,352	100.0%
Prop. C - Base Restructuring	579,908	579,908	100.0%	565,213	100.0%
Prop. C - BSIP Overcrowding	192,477	192,477	100.0%	187,599	100.0%
Prop. A - Torrance Dial-a-Lift	180,100	180,100	100.0%	180,100	100.0%
Prop. A - Local Return	2,100,557	2,179,431	103.8%	2,177,572	111.8%
Prop. A - Exchange	100,000	100,000	100.0%	1,200,000	600.0%
Prop C Local Return	-	-	N/A	1,154,000	100.0%
Transit STAF	637,764	1,841,218 (F)	288.7%	510,878	100.0%
Other cities	11,000	7,409 (G)	67.4%	16,185	18.0%
Municipal Operators Service Program	364,054	367,405	100.9%	219,530	100.0%
Fuel Increase Mitigation Allocation	335,781	335,781	100.0%	-	0.0%
Capital Maintenance Revenues	2,140,000	2,140,000	100.0%	2,140,000	100.0%
Interest	40,000	135,485 (H)	338.7%	29,712	74.3%
<b>Total Non-Operating Revenues</b>	<b>15,728,504</b>	<b>17,053,608</b>	<b>108.4%</b>	<b>17,210,645</b>	<b>106.7%</b>
<b>Total Revenues / Resources</b>	<b>18,296,192</b>	<b>19,611,753</b>	<b>107.2%</b>	<b>19,647,960</b>	<b>104.3%</b>
<b>OPERATING EXPENSES</b>					
Salaries and employee benefits	12,198,123	11,144,156 (I)	91.4%	11,524,887	98.1%
Services and supplies	2,470,053	2,327,576 (J)	94.2%	2,482,791	99.8%
Other professional services	1,808,804	1,526,408 (K)	84.4%	1,609,539	91.5%
Depreciation and amortization	2,127,000	1,974,058 (L)	92.8%	2,069,222	96.3%
Insurance and Claims	351,252	306,812 (M)	87.3%	741,166	100.0%
Interdepartmental charges	2,373,512	2,166,512 (I)	91.3%	2,166,698	99.9%
Loss on disposal of fixed assets	211,627	211,627	100.0%	-	0.0%
Other	87,200	85,815	98.4%	92,377	99.1%
<b>Total Expenses</b>	<b>21,627,571</b>	<b>19,742,964</b>	<b>91.3%</b>	<b>20,686,680</b>	<b>97.8%</b>
<b>Income (Loss) before transfers</b>	<b>(3,331,379)</b>	<b>(131,211)</b>	<b>3.9%</b>	<b>(1,038,720)</b>	<b>45.0%</b>
<b>OPERATING TRANSFERS IN (OUT)</b>	<b>(318,803)</b>	<b>(318,803)</b>	<b>100.0%</b>	<b>(160,590)</b>	<b>100.0%</b>
<b>Income (Loss)</b>	<b>(3,650,182)</b>	<b>(450,014)</b>	<b>12.3%</b>	<b>(1,199,310)</b>	<b>48.6%</b>
<b>ADD: DEPRECIATION</b>	<b>2,127,000</b>	<b>1,974,058</b>	<b>92.8%</b>	<b>2,069,222</b>	<b>96.3%</b>
<b>ADD: Contributed Capital Received</b>	<b>-</b>	<b>630,704</b>		<b>397,511</b>	
<b>FROM FUND BALANCE</b>	<b>1,523,182</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>
<b>NET INCOME (LOSS)</b>	<b>\$ -</b>	<b>\$ 2,154,748</b>	<b>N/A</b>	<b>\$ 1,267,423</b>	<b>N/A</b>
<b>PARTS AND FUEL INVENTORY PURCHASES</b>					
Parts Inventory Purchases	435,900	535,587	122.9%	497,194	94.5%
Fuel Inventory Purchases	1,531,000	1,394,919	91.1%	1,465,522	100.1%
Lubricants Inventory Purchases	25,000	22,815	91.3%	32,143	188.7%
<b>Total Parts &amp; Fuel Inventory Purchases</b>	<b>1,991,900</b>	<b>1,953,321</b>	<b>98.1%</b>	<b>1,994,859</b>	<b>99.4%</b>

- (A) Annual budget includes prior year encumbrances of \$31,270.  
 (B) Special bus service requests are low this year. Torrance Rose Float Association did not request for bus service during the Rose Parade.  
 (C) Quarterly advertising receipts increased-budget adjusted in FY07-08.  
 (D) ID Card sales increased during the year.  
 (E) The excess security funding in the amount of \$67,469 was transferred to security reserve.  
 (F) The State approved an increase in the STA funding during the fiscal year.  
 (G) City of Redondo Beach withdrew their participation in the DAL program starting on the 2nd quarter of the fiscal year.  
 (H) FTA reimbursement for preventive maintenance for the previous year was received during the year. In addition, the \$1.2M increase in the STA funding was not anticipated in the budget.  
 (I) Actual salaries and benefits are lower due to vacancies. Lower labor charges decreased the actual indirect costs as of year-end.  
 (J) Vehicle & equipment repair expense decreased. The increase in fuel usage as a result of higher cost was funded by the Fuel Increase Mitigation Allocation for FY06-07.  
 (K) Actual TCTP service costs decreased during the year mainly as a result of a decrease in ridership.  
 (L) Disposal of one Hybrid bus was not anticipated in the budget resulting to a lower depreciation expense during the year.  
 (M) Liability claims are less during the year.

**TRANSIT FUND**  
**STATEMENT OF CASH FLOWS**  
**FOR THIRTEEN PERIODS ENDED JUNE 30, 2007**

**Cash flows from operating activities**

Operating loss	(\$17,184,819)
Adjustments to reconcile operating loss to net cash used by operating activities	
Depreciation and amortization	1,974,058
(Increase) in accounts receivable	(28,997)
(Increase) in inventory	(115,829)
Decrease in due from governments	300,203
Decrease in prepaids	3,171
(Decrease) in accounts payable	(516,875)
Increase in accrued liabilities	498,301
Increase in deferred liability	52,469
Increase in accrued vacation/sick leave	51,850
	<hr/>
<b>Net cash used by operating activities</b>	<b>(\$14,966,468)</b>

**Cash flows from capital and related financing activities**

Capital expenditures	(622,363)
Disposal of Fixed Assets	291,627
Contributed capital received	630,704
	<hr/>
<b>Net cash provided by capital and related financing</b>	<b>299,968</b>

**Cash flows from noncapital financing activities**

Operating transfers in (out)	(318,803)
Operating grants received	17,053,608
	<hr/>
<b>Net cash provided by noncapital financing activities</b>	<b>16,734,805</b>

**Net change in cash** 2,068,305

**Cash, restricted cash and cash equivalents, July 1, 2006** 2,162,921

**Cash, restricted cash and cash equivalents, June 30, 2007** \$4,231,226

# Schedule G-3

## Municipal Area Express (MAX)

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances

For Thirteen Periods Ended June 30, 2007 - 100.0% Expired

	Budget	Actual	% of Budget	2006 Year-to-date Actual W/O Enc.	2006 Budget % W/O Enc.
Revenues:					
Transit Revenues	\$ 444,502	\$ 436,303	98.2%	\$ 453,024	97.4%
Use of money and property	—	—	N/A	—	N/A
Intergovernmental	437,748	437,748	100.0%	437,748	100.0%
<b>Total revenues</b>	<b>882,250</b>	<b>874,051</b>	<b>99.1%</b>	<b>890,772</b>	<b>98.6%</b>
Expenditures:					
Current:					
Salaries & Benefits	16,200	16,011	98.8%	16,177	99.9%
Materials & Supplies	4,500	1,938 (A)	43.1%	2,834	63.0%
Professional Technical	858,482	853,241	99.4%	868,974	98.1%
City Charges	3,068	2,861 (B)	93.3%	2,787	90.8%
<b>Total expenditures</b>	<b>882,250</b>	<b>874,051</b>	<b>99.1%</b>	<b>890,772</b>	<b>97.9%</b>
<b>From Fund Balance</b>	<b>—</b>	<b>—</b>	<b>N/A</b>	<b>—</b>	<b>N/A</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>\$ —</b>	<b>\$ —</b>	<b>N/A</b>	<b>\$ —</b>	<b>N/A</b>

(A) Materials and supply requirements decreased during the year.

(B) Amount budgeted was high.

## Schedule H

**WATER FUND****BALANCE SHEET**

June 30, 2007

	<b>June 30, 2007</b>
<b>ASSETS</b>	
Pooled Cash and Investments	\$ 10,252,852
Accounts Receivable	4,118,331
Accrued Interest Receivable	119,170
Inventories	529,074
Prepays	1,799
<b>Total Current Assets</b>	<b>15,021,226</b>
Restricted cash and investments	
Pooled cash and investments	528,905
<b>Total Restricted Cash</b>	<b>528,905</b>
Utility plant in service, net	62,983,260
Advances to other funds	1,154,432
<b>Total Assets</b>	<b>\$ 79,687,823</b>
<b>LIABILITIES AND FUND EQUITY</b>	
<b>Current Liabilities</b>	
Accounts Payable	\$ 2,480,349
Accrued Liabilities	1,026,087
Retainage Payable	94,191
Revenue bonds due within one year	465,000
Interest on Revenue Bonds due within one year	50,833
<b>Total Current Liabilities</b>	<b>4,116,460</b>
Noncurrent Portion of revenue bonds outstanding	3,245,000
<b>Total Liabilities</b>	<b>7,361,460</b>
<b>Fund Equity</b>	
Retained Earnings - Unreserved	72,326,363
<b>Total Fund Equity</b>	<b>72,326,363</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$ 79,687,823</b>

# Schedule H-1

## WATER FUND OPERATIONS

### STATEMENT OF REVENUES AND EXPENSES-BUDGET TO ACTUAL FOR THIRTEEN PERIODS ENDED, JUNE 30, 2007 - 100% EXPIRED

	Annual Budget(A)	Year-To-Date Actual Without Enc.	Budget % Without Enc.	FY 2006 Year-To-Date Actual Without Enc.	FY 2006 Budget % Without Enc.
<b>OPERATING REVENUES</b>					
Water Sales	\$ 22,095,134	\$ 21,750,783	98.4%	\$ 20,937,071	101.7%
Other	960,166	976,248	101.7%	942,458	123.3%
<b>Total Operating Revenues</b>	<b>23,055,300</b>	<b>22,727,031</b>	<b>98.6%</b>	<b>21,879,529</b>	<b>102.5%</b>
<b>OPERATING EXPENSES:</b>					
Salaries and employee benefits	4,076,670	3,649,611 (B)	89.5%	3,456,902	97.6%
Services and supplies	1,129,559	978,412 (C)	86.6%	1,023,609	98.4%
Other professional services	765,402	493,739 (D)	64.5%	332,770	85.1%
Depreciation and amortization	1,243,800	1,200,562	96.5%	1,065,407	85.7%
Insurance and claims	92,109	51,477 (E)	55.9%	67,470	99.9%
In Lieu franchise payments	718,000	718,000	100.0%	700,000	100.0%
Interdepartmental charges	1,004,603	947,057 (F)	94.3%	885,709	100.0%
Cost of water	14,011,363	13,869,297	99.0%	13,097,062	99.9%
Others	46,575	41,328 (G)	88.7%	62,039	190.4%
<b>Total Operating Expenses</b>	<b>23,088,081</b>	<b>21,949,483</b>	<b>95.1%</b>	<b>20,690,968</b>	<b>98.5%</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(32,781)</b>	<b>777,548</b>	<b>2471.9%</b>	<b>1,188,561</b>	<b>351.1%</b>
<b>NON-OPERATING REVENUES</b>					
Interest income - Operations	430,000	496,404 (H)	115.4%	439,499	109.9%
<b>Total Non-Operating Revenues</b>	<b>430,000</b>	<b>496,404</b>	<b>115.4%</b>	<b>439,499</b>	<b>109.9%</b>
<b>NON-OPERATING EXPENSES</b>					
Interest expense	181,350	164,589 (I)	90.8%	178,482	99.9%
<b>Total Non-Operating Expenses</b>	<b>181,350</b>	<b>164,589</b>	<b>90.8%</b>	<b>178,482</b>	<b>99.9%</b>
<b>Income (Loss) before transfers</b>	<b>215,869</b>	<b>1,109,363</b>	<b>513.9%</b>	<b>1,449,578</b>	<b>258.9%</b>
<b>CAPITAL GRANTS</b>	-	-	N/A	83,564	N/A
<b>OPERATING TRANSFERS IN</b>	-	-	N/A	-	N/A
<b>OPERATING TRANSFERS OUT</b>	<b>(26,300)</b>	<b>(26,300)</b>	<b>100.0%</b>	<b>(28,999)</b>	<b>100.0%</b>
<b>NET INCOME (LOSS)</b>	<b>\$ 189,569</b>	<b>\$ 1,083,063</b>	<b>571.3%</b>	<b>\$ 1,504,143</b>	<b>283.4%</b>

- (B) Salaries and benefits are lower due to Water Engineering Technician vacancies. In addition, Workers Compensation up to 4 years were low.
- (C) Material charges from Warehouse were lower than anticipated.
- (D) Some contracts budgeted in Special or Contract Services were not initiated. Encumbrances of \$270,000 not reflected here, use an additional 35% of the Professional Services budget.
- (E) There have been no insurance claims under \$50,000 for the year.
- (F) Indirect costs are flat percent of Salaries and Benefits which are low for the year.
- (G) Travel and Training and Bad Debt expenditures were lower for the year.
- (H) The cash balance has remained higher than expected due to slower capital expenditures.
- (I) The bond issuance cost budget was not used for the year.

## Schedule H-2

***WATER FUND***  
**STATEMENT OF CASH FLOWS**  
**FOR THIRTEEN PERIODS ENDED, JUNE 30, 2007**

***Cash flows from operating activities***

Operating income	\$ 777,548	
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation and amortization	1,200,562	
Decrease in accounts receivable	135,088	
(Increase) in interest receivable	(11,052)	
Decrease in advances to other funds	10,500	
Decrease in prepaid	21,666	
(Increase) in inventory	(174,676)	
(Decrease) in accounts payable	(539,314)	
(Decrease) in deposits	(166,864)	
Increase in accrued liabilities	637,942	
(Decrease) in retainage payable	(224,363)	
<b><i>Net cash provided by operating activities</i></b>	<u>\$ 1,667,037</u>	

***Cash flows from capital and related financing activities***

Capital expenditures	(2,878,619)	
Principal paid on revenue bonds	(455,000)	
Interest paid on revenue bonds	(169,139)	
<b><i>Net cash used by capital and related financing</i></b>		(3,502,758)

***Cash flows from noncapital financing activities***

Operating transfers out	(26,300)	
<b><i>Net cash used by noncapital financing activities</i></b>		(26,300)

***Cash flows from investing activities***

Interest on investments	496,404	
<b><i>Net cash provided by investing activities</i></b>		<u>496,404</u>

***Net change in cash*** (1,365,617)

**Cash, restricted cash and cash equivalents, July 1, 2006** 12,147,374

**Cash, restricted cash and cash equivalents, June 30, 2007** \$ 10,781,757 (A)

(A) Includes cash held by trustee and project cash.

Schedule I

**EMERGENCY MEDICAL SERVICES FUND**

**BALANCE SHEET**

June 30, 2007

		<u>June 30, 2007</u>
<b>ASSETS</b>		
Pooled Cash and Investments	\$	16,450
Accounts Receivable		93,097
Prepays		150
<b>Total Current Assets</b>		<b>109,697</b>
Property, Plant and Equipment, net		49,208
<b>Total Assets</b>	<b>\$</b>	<b>158,905</b>
<b>LIABILITIES AND FUND EQUITY</b>		
<b>Current Liabilities</b>		
Accrued Liabilities	\$	12,328
<b>Total Liabilities</b>		<b>12,328</b>
<b>Fund Equity(Deficit)</b>		
Retained Earnings - Reserved		1,226 (A)
Retained Earnings		145,351
<b>Total Fund Equity(Deficit)</b>		<b>146,577</b>
<b>Total Liabilities and Fund Equity(Deficit)</b>	<b>\$</b>	<b>158,905</b>

(A) Amount used to balance 2006-07 budget.



**EMERGENCY MEDICAL SERVICES FUND****STATEMENT OF REVENUES AND EXPENSES-BUDGET TO ACTUAL  
FOR THIRTEEN PERIODS ENDED, JUNE 30, 2007 - 100% EXPIRED**

	<b>Annual Budget(A)</b>	<b>Year-To-Date Actual Without Enc.</b>	<b>Budget % Without Enc.</b>	<b>FY 2006 Year-To-Date Actual Without Enc.</b>	<b>FY 2006 Budget % Without Enc.</b>
<b>OPERATING REVENUES</b>					
PM ALS Resp and Transport Fees	\$ 685,760	\$ 798,250 (B)	116.4%	\$ 751,602	115.3%
Medical Resupply Fee	145,000	157,458 (C)	108.6%	168,820	159.3%
Paramedic Medical Facility Fee	103,000	163,185 (D)	158.4%	137,239	138.6%
<b>Total Operating Revenues</b>	<b>933,760</b>	<b>1,118,893</b>	<b>119.8%</b>	<b>1,057,661</b>	<b>123.4%</b>
<b>OPERATING EXPENSES:</b>					
Salaries and employee benefits	7,771,645	7,771,527	100.0%	7,093,710	98.6%
Services and supplies	269,931	257,467	95.4%	275,738	99.5%
Other professional services	106,226	63,111	59.4%	29,294	84.3%
Depreciation and amortization	-	6,321	N/A	6,245	N/A
Capital Outlay	-	16,627	N/A	-	N/A
Others	12,200	12,167	99.7%	26,515	186.7%
<b>Total Operating Expenses</b>	<b>8,160,002</b>	<b>8,127,220</b>	<b>99.6%</b>	<b>7,431,502</b>	<b>98.8%</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(7,226,242)</b>	<b>(7,008,327)</b>	<b>97.0%</b>	<b>(6,373,841)</b>	<b>95.6%</b>
<b>Income (Loss) before transfers</b>	<b>(7,226,242)</b>	<b>(7,008,327)</b>	<b>97.0%</b>	<b>(6,373,841)</b>	<b>95.6%</b>
<b>OPERATING TRANSFERS IN FROM FUND BALANCE</b>	<b>7,225,016 1,226</b>	<b>7,058,352 -</b>	<b>97.7% 0.0%</b>	<b>6,542,918 -</b>	<b>93.7% N/A</b>
<b>NET INCOME (LOSS)</b>	<b>\$ -</b>	<b>\$ 50,025</b>	<b>N/A</b>	<b>\$ 169,077</b>	<b>53.0%</b>

(A) Annual Budget includes prior year encumbrances budget of \$1,226.

(B) Monthly revenues are budgeted at \$57,000 but actual revenues are averaging over \$66,000 each month.

(C) Monthly revenues are budgeted at \$12,000 but actual revenues are averaging \$12,700 each month.

(D) Paramedic medical facilities fees are up due to an increase in responses.

**EMERGENCY MEDICAL SERVICES FUND****STATEMENT OF CASH FLOWS  
FOR THIRTEEN PERIODS ENDED, JUNE 30, 2007****Cash flows from operating activities**

Operating loss	\$	(7,008,327)	
Adjustments to reconcile operating loss to net cash used by operating activities			
Depreciation and amortization		6,321	
(Increase) in accounts receivable		(38,054)	
(Increase) in prepaids		(150)	
(Decrease) in accounts payable		(15,245)	
Increase in accrued liabilities		12,328	
<b>Net cash used by operating activities</b>			\$ (7,043,127)

**Cash flows from noncapital financing activities**

Operating transfers in	7,058,352	
<b>Net cash provided by noncapital financing activities</b>		<u>7,058,352</u>

**Net change in cash** 15,225

**Cash, restricted cash and cash equivalents, July 1, 2006** 1,225

**Cash, restricted cash and cash equivalents, June 30, 2007** \$ 16,450

**SANITATION ENTERPRISE FUND****BALANCE SHEET****June 30, 2007**

		<u>June 30, 2007</u>
<b>ASSETS</b>		
Pooled Cash and Investments	\$	2,888,919
Accounts Receivable		1,172,641
Prepays		66
<b>Total Current Assets</b>		<b>4,061,626</b>
Utility plant in service, net		117,933
<b>Total Assets</b>	<b>\$</b>	<b>4,179,559</b>
<b>LIABILITIES AND FUND EQUITY</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$	11,659
Accrued Liabilities		674,984
<b>Total Liabilities</b>		<b>686,643</b>
<b>Fund Equity</b>		
Retained Earnings - Reserved		571,620 (A)
Retained Earnings - Unreserved		2,921,296
<b>Total Fund Equity</b>		<b>3,492,916</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$</b>	<b>4,179,559</b>

(A) - Includes amount used to balance the 2006/07 budget.

# Schedule J-1

## SANITATION ENTERPRISE FUND

### STATEMENT OF REVENUES AND EXPENSES-BUDGET TO ACTUAL FOR THIRTEEN PERIODS ENDED, JUNE 30, 2007 - 100% EXPIRED

	Annual Budget (A)	Year-To-Date Actual Without Enc.	Budget % Without Enc.	FY 2006 Year-To-Date Actual Without Enc.	FY 2006 Budget % Without Enc.
<b>OPERATING REVENUES</b>					
Refuse fee revenue	\$ 6,451,000	\$ 7,060,764 (B)	109.5%	\$ 6,754,925	108.8%
Sewer fee revenue	1,242,000	1,221,194	98.3%	1,190,704	99.6%
Recycling fee revenue	1,450,000	1,570,627 (C)	108.3%	1,604,435	119.7%
AB 939 fee revenue	593,000	738,408 (D)	124.5%	673,981	118.0%
<b>Total Operating Revenues</b>	<b>9,736,000</b>	<b>10,590,993</b>	<b>108.8%</b>	<b>10,224,045</b>	<b>109.8%</b>
<b>OPERATING EXPENSES:</b>					
Salaries and employee benefits	3,830,631	3,750,717	97.9%	3,939,780	98.7%
Services and supplies	3,165,453	3,143,097	99.3%	2,925,144	98.8%
Depreciation and amortization	23,880	25,102	105.1%	18,036	100.9%
Other professional services	2,453,885	2,279,408 (E)	92.9%	2,229,215	91.2%
Insurance and claims	222,374	201,667 (F)	90.7%	248,230	90.9%
Interdepartmental charges	757,735	719,533 (G)	95.0%	729,020	99.2%
Others	29,120	16,030 (H)	55.0%	12,904	43.7%
<b>Total Operating Expenses</b>	<b>10,483,078</b>	<b>10,135,554</b>	<b>96.7%</b>	<b>10,102,329</b>	<b>96.6%</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(747,078)</b>	<b>455,439</b>	<b>161.0%</b>	<b>121,716</b>	<b>110.7%</b>
<b>NON-OPERATING REV (EXP)</b>					
Interest income (expense)	100,000	116,547 (I)	116.5%	166,128	N/A
<b>Total Non-Operating Revenues (Expense)</b>	<b>100,000</b>	<b>116,547</b>	<b>116.5%</b>	<b>166,128</b>	<b>N/A</b>
<b>Income (Loss) before transfers</b>	<b>(647,078)</b>	<b>571,986</b>	<b>188.4%</b>	<b>287,844</b>	<b>126.2%</b>
<b>OPERATING TRANSFERS IN FROM FUND BALANCE</b>	<b>75,458</b>	<b>75,458</b>	<b>100.0%</b>	<b>75,000</b>	<b>100.0%</b>
	<b>571,620</b>	<b>-</b>	<b>N/A</b>	<b>-</b>	<b>N/A</b>
<b>NET INCOME (LOSS)</b>	<b>\$ -</b>	<b>\$ 647,444</b>	<b>N/A</b>	<b>\$ 362,844</b>	<b>N/A</b>

(A) Annual budget includes prior year encumbrances budget of \$87,902.

(B) Refuse fee revenues are high due to increase in both the rubbish and 2nd container charges.

(C) Recycling Billing Fees collected are up. In addition, unbudgeted California Beverage Redemption funds were received from the State for \$60,722.

(D) AB 939 Revenue is higher than budget due to an increase in private hauler fees on more tonnage collected.

(E) Professional services contracts are for emergency repairs as needed. These repairs are lower than anticipated.

(F) There have been no insurance claims filed under \$50,000.

(G) Indirect costs are based on % of salaries and benefits.

(H) Out of town travel and bad debts are low for the year.

(I) The increase in interest earnings is due to higher cash balance and interest rates.

**SANITATION ENTERPRISE FUND****STATEMENT OF CASH FLOWS  
FOR THIRTEEN PERIODS ENDED, JUNE 30, 2007****Cash flows from operating activities**

Operating income	\$	455,439
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation and amortization		25,103
(Increase) in accounts receivable		(56,405)
Decrease in Due From Other Governments		4,380
(Increase) in other prepayments		(3)
(Decrease) in accounts payable		(271,742)
Increase in accrued liabilities		148,781

**Net cash provided by operating activities** \$ 305,553

**Cash flows from capital and related financing activities**

Capital Grants	89,776
Capital expenditures	(303,840)

**Net cash used by capital and related financing** (214,064)

**Cash flows from noncapital financing activities**

Operating transfers in	75,458
------------------------	--------

**Net cash provided by noncapital financing activities** 75,458

**Cash flows from investing activities**

Interest income (expense)	116,547
---------------------------	---------

**Net cash provided by investing activities** 116,547

**Net change in cash** 283,494

**Cash, restricted cash and cash equivalents, July 1, 2006** 2,605,425

**Cash, restricted cash and cash equivalents, June 30, 2007** \$ 2,888,919

**CULTURAL ARTS CENTER ENTERPRISE FUND****BALANCE SHEET***June 30, 2007*

	<u>June 30, 2007</u>
<b>ASSETS</b>	
Pooled Cash and Investments	\$526,270
Prepays	7,931
Accounts Receivable	27,608
<b>Total Current Assets</b>	<b>561,809</b>
Machinery and Equipment, net	485,309
<b>Total Assets</b>	<b>\$1,047,118</b>
<b>LIABILITIES AND FUND EQUITY</b>	
<b>Current Liabilities</b>	
Accounts Payable	\$320,368
Accrued liabilities	84,231
<b>Total Liabilities</b>	<b>404,599</b>
<b>Fund Equity</b>	
Retained Earnings - Reserved	263,763 (A)
Retained Earnings - Unreserved	378,756
<b>Total Fund Equity</b>	<b>642,519</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$1,047,118</b>

(A) Represents amount used to balance FY06-07 budget

**Schedule K-1**

**CULTURAL ARTS CENTER ENTERPRISE FUND**  
**STATEMENT OF REVENUES AND EXPENSES - BUDGET TO ACTUAL**  
**FOR THIRTEEN PERIODS ENDED JUNE 30, 2007 100.0% EXPIRED**

	<i>Annual Budget</i>	<i>Year-To-Date Actual Without Enc.</i>	<i>Budget % Without Enc.</i>	<i>2006 Year-To-Date Actual Without Enc.</i>	<i>2006 Budget % Without Enc.</i>
<b>OPERATING REVENUES</b>					
Charges for services	\$ 741,000	\$ 823,133 (A)	111.1%	\$ 819,217	116.5%
<b>Total Operating Revenues</b>	<b>741,000</b>	<b>823,133</b>	<b>111.1%</b>	<b>819,217</b>	<b>116.5%</b>
<b>OPERATING EXPENSES:</b>					
Salaries and employee benefits	1,326,248	1,245,358 (B)	93.9%	1,259,349	100.0%
Services and supplies	128,599	98,074	76.3%	71,747	53.5%
Other professional services	301,482	299,758	99.4%	248,375	81.8%
Depreciation and amortization	8,200	8,058	98.3%	7,055	106.9%
Interdepartmental charges	99,877	99,877	100.0%	99,877	100.0%
Other	11,300	3,169	28.0%	1321	10.7%
<b>Total Operating Expenses</b>	<b>1,875,706</b>	<b>1,754,294</b>	<b>93.5%</b>	<b>1,687,724</b>	<b>92.9%</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(1,134,706)</b>	<b>(931,161)</b>	<b>82.1%</b>	<b>(868,507)</b>	<b>78.0%</b>
<b>NON-OPERATING REVENUES</b>					
Other - Grants	73,200	73,200	100.0%	73,200	100.0%
TCAC Foundation - Grants	25,000	25,000	100.0%	25,000	100.0%
<b>Total Non-Operating Revenues</b>	<b>98,200</b>	<b>98,200</b>	<b>100.0%</b>	<b>98,200</b>	<b>100.0%</b>
<b>Income (Loss) before transfers</b>	<b>(1,036,506)</b>	<b>(832,961)</b>	<b>80.4%</b>	<b>(770,307)</b>	<b>75.9%</b>
<b>OPERATING TRANSFERS IN</b>	<b>785,986</b>	<b>785,986</b>	<b>100.0%</b>	<b>785,120</b>	<b>100.0%</b>
<b>OPERATING TRANSFERS OUT</b>	<b>(13,243)</b>	<b>(13,243)</b>	<b>100.0%</b>	<b>(11,700)</b>	<b>100.0%</b>
<b>FROM FUND BALANCE</b>	<b>263,763</b>	<b>60,218</b>	<b>22.8%</b>	<b>—</b>	<b>0.0%</b>
<b>OVER (UNDER) SUBSIDY</b>	<b>—</b>	<b>—</b>	<b>NA</b>	<b>3,113</b>	<b>NA</b>

(A) An increase in events at the Center has resulted in higher revenue. The budget for 2007/08 had an overall increase of \$15,000

(B) One customer service position is vacant since November 2006.

**CULTURAL ARTS CENTER ENTERPRISE FUND**  
**BUDGET TO ACTUAL**  
**FOR THIRTEEN PERIODS ENDED JUNE 30, 2007 - 100.0% EXPIRED**

	Meeting Rooms			Classrooms			Theaters			Total		
	Annual Budget 06/07	Actual 06/30/2007	% of Budget To Actual	Annual Budget 06/07	Actual 06/30/2007	% of Budget To Actual	Annual Budget 06/07	Actual 06/30/2007	% of Budget To Actual	Annual Budget 06/07	Actual 06/30/2007	% of Budget To Actual
Rental	\$ 213,000	\$ 249,102	116.9%	\$ 155,000	\$ 160,740	103.7%	\$ 113,000	\$ 103,279	91.4%	\$ 481,000	\$ 513,121	106.7%
Labor	80,000	122,794	153.5%	5,000	45	0.9%	175,000	187,173	107.0%	250,000	310,012	119.2%
Grant-Gen. Fund	73,200	73,200	100.0%	—	—	NA	25,000	25,000	100.0%	98,200	98,200	100.0%
<b>Total Revenues</b>	<b>366,200</b>	<b>445,096</b>	<b>121.5%</b>	<b>160,000</b>	<b>160,785</b>	<b>100.5%</b>	<b>313,000</b>	<b>315,452</b>	<b>100.8%</b>	<b>839,200</b>	<b>921,333</b>	<b>109.8%</b>
<b>Less: Expenses</b>												
Salaries and benefits	371,016	362,233	97.6%	308,516	260,383	84.4%	646,716	622,742	96.3%	1,326,248	1,245,358	93.9%
Service and Supplies	40,722	34,060	83.6%	28,225	12,086	42.8%	59,652	51,928	87.1%	128,599	98,074	76.3%
Other professional services	102,774	102,903	100.1%	78,100	71,278	91.3%	120,608	125,577	104.1%	301,482	299,758	99.4%
Depreciation and amortization	2,300	2,158	93.8%	—	—	NA	5,900	5,900	100.0%	8,200	8,058	98.3%
Interdept. charges	33,471	33,471	100.0%	32,965	32,965	100.0%	33,441	33,441	100.0%	99,877	99,877	100.0%
Other	5,300	1,669	31.5%	5,200	1,500	28.8%	800	—	NA	11,300	3,169	28.0%
<b>Total expenses</b>	<b>555,583</b>	<b>536,494</b>	<b>96.6%</b>	<b>453,006</b>	<b>378,212</b>	<b>83.5%</b>	<b>867,117</b>	<b>839,588</b>	<b>96.8%</b>	<b>1,875,706</b>	<b>1,754,294</b>	<b>93.5%</b>
<b>Income (loss) from operations</b>	<b>(189,383)</b>	<b>(91,398)</b>	<b>48.3%</b>	<b>(293,006)</b>	<b>(217,427)</b>	<b>74.2%</b>	<b>(554,117)</b>	<b>(524,136)</b>	<b>94.6%</b>	<b>(1,036,506)</b>	<b>(832,961)</b>	<b>80.4%</b>
<b>Operating Transfers In</b>	<b>135,763</b>	<b>96,741</b>	<b>71.3%</b>	<b>254,167</b>	<b>221,327</b>	<b>87.1%</b>	<b>396,056</b>	<b>467,918</b>	<b>118.1%</b>	<b>785,986</b>	<b>785,986</b>	<b>100.0%</b>
<b>Operating Transfers Out</b>	<b>(5,343)</b>	<b>(5,343)</b>	<b>100.0%</b>	<b>(3,900)</b>	<b>(3,900)</b>	<b>100.0%</b>	<b>(4,000)</b>	<b>(4,000)</b>	<b>100.0%</b>	<b>(13,243)</b>	<b>(13,243)</b>	<b>100.0%</b>
<b>From Fund Balance</b>	<b>58,963</b>	<b>—</b>	<b>NA</b>	<b>42,739</b>	<b>—</b>	<b>NA</b>	<b>162,061</b>	<b>60,218</b>	<b>37.2%</b>	<b>263,763</b>	<b>60,218</b>	<b>22.8%</b>
<b>Over (Under) subsidy without enc.</b>	<b>—</b>	<b>—</b>	<b>NA</b>	<b>—</b>	<b>—</b>	<b>NA</b>	<b>—</b>	<b>—</b>	<b>NA</b>	<b>—</b>	<b>—</b>	<b>NA</b>

- (A) An increase in events utilizing the meeting rooms has resulted in higher revenue then budgeted. The meeting room revenue budget was increased by \$25,000 for 2007/08.  
 (B) Theater rental income volume is lower due to a bulk of bookings from non-paying clients such as: Cultural Services & TCAC Foundation.  
 (C) The other professional services budget is over budget by 4.1% due to expenditures at Theater for brochures and a \$30,000 payment to the TCAC Foundation.  
 The Cultural Arts Center professional services overall budget is 99.4% spent.



**CULTURAL ARTS CENTER ENTERPRISE FUND****STATEMENT OF CASH FLOWS  
FOR THIRTEEN PERIODS ENDED JUNE 30, 2007****Cash flows from operating activities**

Operating loss	(\$931,161)
Adjustments to reconcile operating loss to net cash used by operating activities	
Depreciation and amortization	8,058
(Increase) in prepaids	(5,431)
(Increase) in accounts receivable	(10,249)
Increase in accounts payable	49,426
Increase in accrued liabilities	28,890

**Net cash used by operating activities** (\$860,467)

**Cash flows from capital and related financing activities**

Capital Expenditures	(54,754)
----------------------	----------

**Net cash used by capital and related financing** (54,754)

**Cash flows from noncapital financing activities**

Operating transfers in	785,986
Operating transfers out	(13,243)
Grants received	98,200

**Net cash provided by noncapital financing activities** 870,943

**Net change in cash** (44,278)

**Cash and cash equivalents, July 1, 2006** 570,548

**Cash and cash equivalents, June 30, 2007** \$526,270

**SEWER ENTERPRISE FUND****BALANCE SHEET**

June 30, 2007

June 30, 2007**ASSETS**

Pooled Cash and Investments	\$	10,611,205
Accounts Receivable		240,479
Accrued Interest Receivable		123,080
<b>Total Current Assets</b>		<b>10,974,764</b>

Property, Plant and Equipment, net		43,004,901
Advances to other funds		419,028
<b>Total Assets</b>	<b>\$</b>	<b>54,398,693</b>

**LIABILITIES AND FUND EQUITY****Current Liabilities**

Retainage Payable		1,100
<b>Total Liabilities</b>		<b>1,100</b>

**Fund Equity**

Contributed Capital		2,786,254
Retained Earnings - Unreserved		51,611,339
<b>Total Fund Equity</b>		<b>54,397,593</b>

<b>Total Liabilities and Fund Equity</b>	<b>\$</b>	<b>54,398,693</b>
--	-----------	-------------------

# Schedule L-1

## SEWER ENTERPRISE FUND OPERATIONS STATEMENT OF REVENUES AND EXPENSES - BUDGET TO ACTUAL FOR THIRTEEN PERIODS ENDED, JUNE 30, 2007 - 100% EXPIRED

	Annual Budget(A)	Year-to-Date Actual Without Enc.	Budget % Without Enc.	FY 2006 Year-to-Date Actual Without Enc.	FY 2006 Budget % Without Enc.
<b>OPERATING REVENUES</b>					
Sewer charges	\$ 1,702,500	\$ 1,926,645 (B)	113.2%	\$ 1,621,395	111.5%
Sewer revolving fees	32,000	30,692	95.9%	26,562	83.0%
<b>Total Operating Revenues</b>	<b>1,734,500</b>	<b>1,957,337</b>	<b>112.8%</b>	<b>1,647,957</b>	<b>110.9%</b>
<b>OPERATING EXPENSES</b>					
Salaries and employee benefits	599,464	507,722 (C)	84.7%	492,069	85.1%
Services and supplies	26,921	6,707 (D)	24.9%	7,995	29.3%
Other professional services	86,946	37,219 (E)	42.8%	54,218	74.4%
Depreciation	1,005,000	856,752	85.2%	860,639	85.6%
Interdepartmental charges	151,243	139,410 (F)	92.2%	132,926	88.0%
Other	14,014	2,216 (G)	15.8%	826	5.9%
<b>Total Operating Expenses</b>	<b>1,883,588</b>	<b>1,550,026</b>	<b>82.3%</b>	<b>1,548,673</b>	<b>83.8%</b>
<b>OPERATING INCOME</b>	<b>(149,088)</b>	<b>407,311</b>	<b>373.2%</b>	<b>99,284</b>	<b>127.4%</b>
<b>NON-OPERATING REVENUES</b>					
Interest income - Operations	350,000	955,970 (H)	273.1%	347,067	192.8%
<b>Total Non-Operating Revenues</b>	<b>350,000</b>	<b>955,970</b>	<b>273.1%</b>	<b>347,067</b>	<b>192.8%</b>
<b>Income before transfers</b>	<b>200,912</b>	<b>1,363,281</b>	<b>678.5%</b>	<b>446,351</b>	<b>345.1%</b>
<b>OPERATING TRANSFERS IN</b>	<b>727</b>	<b>727</b>	<b>100.0%</b>	<b>-</b>	<b>0.0%</b>
<b>OPERATING TRANSFERS OUT</b>	<b>(76,314)</b>	<b>(76,314)</b>	<b>100.0%</b>	<b>(75,000)</b>	<b>100.0%</b>
<b>NET INCOME</b>	<b>\$ 125,325</b>	<b>\$ 1,287,694</b>	<b>1027.5%</b>	<b>\$ 371,351</b>	<b>N/A</b>

(A) Annual budget includes prior year encumbrances budget of \$12,520.

(B) Water consumption has remained high for the year.

(C) Regular Salaries are below budget due to greater utilization of staff for capital improvement projects. In addition, Charges from Other Departments are lower than budget due to vacant positions including the Deputy Public Works Director.

(D) Charges for vehicle and equipment repairs are low for the year.

(E) Professional Services are low because individual capital projects rather than the operating budget are funding some of the technical services contracts.

(F) Indirect costs are based on % of salaries and benefits.

(G) Travel & Training expense as well as Bad Debts are low for the year.

(H) The increase in interest earnings is due to interest payment of \$519,000 received from Advances to the Redevelopment Fund.

**SEWER ENTERPRISE FUND OPERATIONS****STATEMENT OF CASH FLOWS  
FOR THIRTEEN PERIODS ENDED, JUNE 30, 2007****Cash flows from operating activities**

Operating income	\$	407,311
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation and amortization		856,752
(Increase) in accounts receivable		(72,389)
Decrease in advances to other funds		380,972
(Increase) in interest receivable		(31,441)
(Decrease) in accounts payable		(382,544)
(Decrease) in retainage payable		(63,657)

**Net cash provided by operating activities** \$ 1,095,004

**Cash flows from capital and related financing activities**

Capital expenditures	(1,256,789)	
<b>Net cash used by capital and related financing</b>		(1,256,789)

**Cash flows from non-capital financing activities**

Operating transfers in	727	
Operating transfers out	(76,314)	
<b>Net cash used by non-capital financing activities</b>		(75,587)

**Cash flows from investing activities**

Interest on investment	955,970	
<b>Net cash provided by investing activities</b>		955,970

**Net change in cash** 718,598

Cash, restricted cash and cash equivalents, July 1, 2006 9,892,607

Cash, restricted cash and cash equivalents, June 30, 2007 \$ 10,611,205 (A)

(A) Includes project cash

**PARKS AND RECREATION ENTERPRISE FUND****BALANCE SHEET**  
**JUNE 30, 2007**

	<u>June 30, 2007</u>
<b>ASSETS</b>	
Pooled Cash and Investments	\$121,489
Accounts Receivable	766
Machinery & Equipment, Net	8,245
Prepays	6,271
Buildings, Net	18,334
<b>Total Assets</b>	<b>\$155,105</b>
<b>LIABILITIES AND FUND EQUITY</b>	
<b>Current Liabilities</b>	
Accounts Payable	\$933
Accrued Liabilities	40,029
Deferred Liabilities	555,769
<b>Total Liabilities</b>	<b>596,731</b>
<b>Fund Equity (Deficit)</b>	
Retained Earnings - Unreserved	(441,626)
<b>Total Fund Equity (Deficit)</b>	<b>(441,626)</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$155,105</b>

# Schedule M-1

## PARKS AND RECREATION ENTERPRISE FUND

### STATEMENT OF REVENUES AND EXPENSES-BUDGET TO ACTUAL FOR THIRTEEN PERIODS ENDED JUNE 30, 2007 - 100% EXPIRED

	Annual Budget (A)	Year-To-date Actual Without Enc.	Budget % Without Enc.	2006 Year-to-date Actual Without Enc.	2006 Budget % Without Enc.
<b>OPERATING REVENUES</b>					
Charges for services	\$4,210,580	\$4,216,061	100.1%	\$3,941,824	97.8%
Other	-	56,843 (B)	N/A	29,541	N/A
<b>Total Operating Revenues</b>	<b>4,210,580</b>	<b>4,272,904</b>	<b>101.5%</b>	<b>3,971,365</b>	<b>98.5%</b>
<b>OPERATING EXPENSES:</b>					
Salaries and employee benefits	4,662,757	4,566,826 (C)	97.9%	4,460,831	100.3%
Services and supplies	1,023,113	937,156 (D)	91.6%	968,643	96.2%
Other professional services	1,184,447	1,161,333 (E)	98.0%	1,182,285	99.1%
Insurance and claims	18,421	9,396 (F)	51.0%	9,621	52.2%
Interdepartmental charges	546,066	546,066	100.0%	545,766	100.0%
Depreciation	-	2,831	N/A	2,463	N/A
Other	18,220	13,741 (G)	75.4%	15,472	87.4%
<b>Total Operating Expenses</b>	<b>7,453,024</b>	<b>7,237,349</b>	<b>97.1%</b>	<b>7,185,081</b>	<b>99.4%</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(3,242,444)</b>	<b>(2,964,445)</b>	<b>91.4%</b>	<b>(3,213,716)</b>	<b>100.5%</b>
<b>Income (Loss) before transfers</b>	<b>(3,242,444)</b>	<b>(2,964,445)</b>	<b>91.4%</b>	<b>(3,213,716)</b>	<b>100.5%</b>
<b>OPERATING TRANSFERS IN</b>	<b>3,052,106</b>	<b>3,052,106</b>	<b>100.0%</b>	<b>2,897,340</b>	<b>100.0%</b>
<b>OPERATING TRANSFERS OUT</b>	<b>(59,500)</b>	<b>(59,500)</b>	<b>100.0%</b>	<b>(59,759)</b>	<b>100.0%</b>
<b>OVER (UNDER) SUBSIDY</b>	<b>(\$249,838)</b>	<b>\$28,161</b>	<b>111.3%</b>	<b>(\$376,135)</b>	<b>104.8%</b>

(A) Annual budget includes prior year encumbrances budget of \$39,757.

(B) Cultural Services division received a \$35,000 donation from the Torrance Cultural Arts Center Foundation to help foster the arts development in the South Bay area.

(C) Salaries for the recurring/seasonal employees are low due to the effective use of recurrent staff in the Recreation Services Division's program

(D) The savings is attributed to the unused recreation insurance budget in the Recreation Services division.

(E) Professional Services are below budget in the Recreation Services division however, encumbrances of approximately \$20,000 would bring the % up to 100%.

(F) There have been no significant insurance claims for FY07.

(G) The department's out of town travel and mileage reimbursements were down in FY07.

## Schedule M-2

### **PARKS AND RECREATION - RECREATION SERVICES**

#### **STATEMENT OF REVENUES AND EXPENSES-BUDGET TO ACTUAL FOR THIRTEEN PERIODS ENDED JUNE 30, 2007 - 100% EXPIRED**

	<b>Annual Budget (A)</b>	<b>Year-To-date Actual Without Enc.</b>	<b>Budget % Without Enc.</b>	<b>2006 Year-to-date Actual Without Enc.</b>	<b>2006 Budget % Without Enc.</b>
<b>OPERATING REVENUES</b>					
Charges for services	\$3,060,580	\$2,991,987 (B)	97.8%	\$2,786,462	92.4%
Other		13,252	N/A	2,942	
<b>Total Operating Revenues</b>	<b>3,060,580</b>	<b>3,005,239</b>	<b>98.2%</b>	<b>2,789,404</b>	<b>92.5%</b>
<b>OPERATING EXPENSES:</b>					
Salaries and employee benefits	3,676,697	3,488,354 (C)	94.9%	3,361,351	95.9%
Services and supplies	741,853	656,396 (D)	88.5%	687,440	94.9%
Other professional services	659,603	636,548 (E)	96.5%	670,680	99.6%
Insurance and claims	18,421	9,396 (F)	51.0%	9,621	52.2%
Interdepartmental charges	544,066	544,066	100.0%	544,066	100.0%
Depreciation	-	2,831	N/A	2,463	0.0%
Other	12,220	7,741 (G)	63.3%	10,606	90.6%
<b>Total Operating Expenses</b>	<b>5,652,860</b>	<b>5,345,331</b>	<b>94.6%</b>	<b>5,286,228</b>	<b>96.5%</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(2,592,280)</b>	<b>(2,340,092)</b>	<b>90.3%</b>	<b>(2,496,824)</b>	<b>101.4%</b>
<b>Income (Loss) before transfers</b>	<b>(2,592,280)</b>	<b>(2,340,092)</b>	<b>90.3%</b>	<b>(2,496,824)</b>	<b>101.4%</b>
<b>OPERATING TRANSFERS IN</b>	<b>2,331,398</b>	<b>2,331,398</b>	<b>100.0%</b>	<b>2,216,727</b>	<b>100.0%</b>
<b>OPERATING TRANSFERS OUT</b>	<b>(55,000)</b>	<b>(55,000)</b>	<b>100.0%</b>	<b>(55,259)</b>	<b>100.0%</b>
<b>OVER (UNDER) SUBSIDY</b>	<b>(\$315,882)</b>	<b>(\$63,694)</b>	<b>20.2%</b>	<b>(\$335,356)</b>	<b>107.9%</b>

(A) Annual budget includes prior year encumbrances budget of \$31,967.

(B) Charges for services are lower than budget due to the low volume of of registration for the contract class programming.

(C) Salaries for recurrent/seasonal employees are low due to the effective use of recurrent staff in the Division's programs.

(D) The savings in supplies and materials is attributed to the unused recreation insurance budget.

(E) Professional Services are below budget, however encumbrances of approximately \$20,000 would bring the % up to 100%.

(F) There have been no significant insurance claims for FY07.

(G) Out of town travel was down for FY07.

## Schedule M-3

### PARKS AND RECREATION - CULTURAL SERVICES

#### STATEMENT OF REVENUES AND EXPENSES-BUDGET TO ACTUAL FOR THIRTEEN PERIODS ENDED JUNE 30, 2007-100% EXPIRED

	Annual Budget (A)	Year-To-date Actual Without Enc.	Budget % Without Enc.	2006 Year-to-date Actual Without Enc.	2006 Budget % Without Enc.
<b>OPERATING REVENUES</b>					
Charges for services	\$1,150,000	\$1,224,074 (B)	106.4%	\$1,155,362	113.6%
Other		43,591 (C)	N/A	26,599	N/A
<b>Total Operating Revenues</b>	<b>1,150,000</b>	<b>1,267,665</b>	<b>110.2%</b>	<b>1,181,961</b>	<b>116.2%</b>
<b>OPERATING EXPENSES:</b>					
Salaries and employee benefits	986,060	1,078,473 (D)	109.4%	1,099,480	116.9%
Services and supplies	281,260	280,760	99.8%	281,203	99.6%
Other professional services	524,844	524,785	100.0%	511,605	98.4%
Interdepartmental Charges	2,000	2,000	100.0%	1,700	100.0%
Other	6,000	6,000	100.0%	4,866	81.1%
<b>Total Operating Expenses</b>	<b>1,800,164</b>	<b>1,892,018</b>	<b>105.1%</b>	<b>1,898,854</b>	<b>108.5%</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(650,164)</b>	<b>(624,353)</b>	<b>96.0%</b>	<b>(716,893)</b>	<b>97.7%</b>
<b>Income (Loss) before transfers</b>	<b>(650,164)</b>	<b>(624,353)</b>	<b>96.0%</b>	<b>(716,893)</b>	<b>97.7%</b>
<b>OPERATING TRANSFERS IN</b>	<b>720,708</b>	<b>720,708</b>	<b>100.0%</b>	<b>680,613</b>	<b>100.0%</b>
<b>OPERATING TRANSFERS OUT</b>	<b>(4,500)</b>	<b>(4,500)</b>	<b>100.0%</b>	<b>(4,500)</b>	<b>100.0%</b>
<b>OVER (UNDER) SUBSIDY</b>	<b>\$66,044</b>	<b>\$91,855</b>	<b>139.1%</b>	<b>(\$40,780)</b>	<b>171.3%</b>

(A) Annual budget includes prior year encumbrances budget of \$7,790.

(B) Revenues exceeded budget due to the continued increase in division class program participation.

(C) The division received a \$35,000 donation from the Torrance Cultural Arts Center Foundation to help foster the arts development in the South Bay area.

(D) The over expenditure is attributed to the increased use of part time recurring/seasonal employees needed for the high volume of class and program participation.



**PARKS AND RECREATION ENTERPRISE FUND****STATEMENT OF CASH FLOWS  
FOR THIRTEEN PERIODS ENDED JUNE 30, 2007****Cash flows from operating activities**

Operating loss	(\$2,964,445)	
Adjustments to reconcile operating loss to net cash used by operating activities		
Depreciation	2,831	
Decrease in accounts receivable	260	
Decrease in due from other govt.	179,169	
Decrease in prepaids	20,949	
(Decrease) in accounts payable	(101,231)	
Increase in accrued liabilities	40,029	
Increase in deferred liabilities	25,554	
<b>Net cash used by operating activities</b>		<b>(\$2,796,884)</b>

**Cash flows from noncapital financing activities**

Operating transfers in	3,052,106	
Operating transfers out	(59,500)	
<b>Net cash provided by noncapital financing activities</b>		<b>2,992,606</b>

<b>Net change in cash</b>	<b>195,722</b>
---------------------------	----------------

<b>Cash and cash equivalents, July 1, 2006</b>	<b>(74,233)</b>
--	-----------------

<b>Cash and cash equivalents, June 30, 2007</b>	<b>\$121,489</b>
---	------------------

## Schedule N

***CAPITAL IMPROVEMENTS FUND***  
***BALANCE SHEET***  
***June 30, 2007***

**ASSETS**

Pooled Cash and Investments	\$ 24,638,164	(a)
Accounts Receivables	-	
<b>Total Assets</b>	<b>\$ 24,638,164</b>	

**LIABILITIES AND FUND EQUITY****Current Liabilities**

Accounts Payable	\$ 203,320
Accrued liabilities	938,548
Retainage Payable	49,873
<b>Total Liabilities</b>	<b>1,191,741</b>

**Fund Equity**

Retained Earnings - Reserved	23,446,423
<b>Total Fund Equity</b>	<b>23,446,423</b>

<b>Total Liabilities and Fund Equity</b>	<b>\$ 24,638,164</b>
--	----------------------

(a) Includes Funds from unrestricted Bond Fund of \$5,953,616

## Schedule N-1

**CAPITAL IMPROVEMENTS FUND****Statement of Revenues, Expenditures  
and Changes in Fund Balances****For Thirteen Periods Ended June 30, 2007 - 100.0% Expired**

	<u>Actual</u>
Revenues:	
Other	\$ 480,220
<b>Total revenues</b>	<b>480,220</b>
Expenditures:	
Current:	
Salaries & Benefits	190,968
Materials, supplies and services	151,250
Professional Technical	1,176,649
Capital outlay	924,330
Other	538
<b>Total expenditures</b>	<b>2,443,735</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(1,963,515)</b>
Operating transfers in	5,874,287
Operating transfers out	(910,744)
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	<b>\$ 3,000,027</b>
<b>Fund balance, July 1, 2006</b>	<b>20,446,396</b>
<b>Fund balance, June 30, 2007</b>	<b>\$ 23,446,423</b>

Note 1: This fund is managed by a multi-year project budget, and therefore a budget to actual comparison has not been presented.

Schedule O

**PROP C (Fund 3301) LOCAL RETURN/GRANTS AND DISCRETIONARY FUNDS**  
**BALANCE SHEET**  
**June 30, 2007**

**ASSETS**

Pooled Cash and Investments	\$	4,696,052
Interest Receivables		57,562
<b>Total Assets</b>	<b>\$</b>	<b>4,753,614</b>

**LIABILITIES AND FUND EQUITY**

**Current Liabilities**

Accrued Liabilities	\$	210,348
<b>Total Liabilities</b>		<b>210,348</b>

**Fund Equity**

Retained Earnings - Reserved		4,543,266
<b>Total Fund Equity</b>		<b>4,543,266</b>

<b>Total Liabilities and Fund Equity</b>	<b>\$</b>	<b>4,753,614</b>
--	-----------	------------------

**PROP C (Fund 3301) LOCAL RETURN/GRANTS AND DISCRETIONARY FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**For Thirteen Periods Ended June 30, 2007 - 100.0% Expired**

	<u>Actual</u>
Revenues:	
Use of money and property	\$ 199,136
Intergovernmental	1,959,469
Other	-
<b>Total revenues</b>	<b>2,158,605</b>
Expenditures:	
Current:	
Professional Technical	450,746
<b>Total expenditures</b>	<b>450,746</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>1,707,859</b>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	<b>\$ 1,707,859</b>
<b>Fund balance, July 1, 2006</b>	<b>2,835,407</b>
<b>Fund balance, June 30, 2007</b>	<b>\$ 4,543,266</b>

## Schedule P

### Torrance Public Financing Authority Restricted Capital Project Fund

#### Statement of Revenues, Expenditures and Changes in Fund Balances

For Thirteen Periods Ended June 30, 2007 100.0% Expired

	<u>Actual</u>
Revenues:	
Use of money and property	\$ 239,948
<b>Total revenues</b>	<b>239,948</b>
Expenditures:	
Current:	
Salaries & Benefits	146,401
Materials & Supplies	6,200
Professional Technical	6,549,992
Capital outlay	1,646,321
<b>Total expenditures</b>	<b>8,348,914</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(8,108,966)</b>
Other financing sources (uses):	
Operating transfers out	—
Operating transfers in	138,618
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	<b>(7,970,348)</b>
<b>Fund balance, July 1, 2006</b>	<b>11,139,298</b>
<b>Fund balance, June 30, 2007</b>	<b>\$ 3,168,950</b>

Note: This fund is managed by a multi-year project budget, and therefore a budget to actual comparison has not been presented.

## Schedule Q

**Meadow Park Redevelopment Capital Project Fund**  
Statement of Revenues, Expenditures - Budget to Actual  
For Thirteen Periods ended June 30, 2007 - 100.0% Expired

	Budget	Actual	% of Budget	2006 Year-to-date Actual W/O Enc.	2006 Budget % W/O Enc.
Revenues:					
Use of money and property	\$ —	\$ 179	N/A	\$ 58	N/A
Other	13,558	13,666	100.8%	14,398	109.4%
<b>Total revenues</b>	<b>13,558</b>	<b>13,845</b>	<b>102.1%</b>	<b>14,456</b>	<b>109.8%</b>
Expenditures:					
Salaries & employee benefits	11,125	8,593 (A)	77.2%	14,475	100.0%
Materials suppl & maintenance	—	—	N/A	—	N/A
Prof services/contracts & utilities	—	—	N/A	—	N/A
Travel, training & membership dues	—	—	N/A	—	N/A
Interdepartmental charges	—	—	N/A	—	N/A
<b>Total expenditures</b>	<b>11,125</b>	<b>8,593</b>	<b>77.2%</b>	<b>14,475</b>	<b>100.0%</b>
Excess (deficiency) of revenues over expenditures	2,433	5,252	215.9%	(19)	1.4%
Other financing sources (uses):					
Operating transfers in	—	—	N/A	—	N/A
Operating transfers out/transfer to City	—	—	N/A	—	N/A
Advances from County and developer	—	—	N/A	—	N/A
<b>Total other financing sources, net</b>	<b>—</b>	<b>—</b>	<b>N/A</b>	<b>—</b>	<b>N/A</b>
<b>From Fund Balance</b>	<b>—</b>	<b>—</b>	<b>N/A</b>	<b>—</b>	<b>N/A</b>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	<b>\$ 2,433</b>	<b>\$ 5,252</b>	<b>N/A</b>	<b>\$ (19)</b>	<b>N/A</b>

(A) Salary and benefits for RDA staff were charged to General Fund after Period 7.

## Schedule Q-1

### Skypark Redevelopment Capital Project Fund

Statement of Revenues, Expenditures - Budget to Actual  
For Thirteen Periods ended June 30, 2007 - 100.0% Expired

	Budget	Actual	% of Budget	2006 Year-to-date Actual W/O Enc.	2006 Budget % W/O Enc.
Revenues:					
Use of money and property	\$ —	\$ 413	N/A	\$ 268	N/A
<b>Total revenues</b>	<b>—</b>	<b>413</b>	<b>N/A</b>	<b>268</b>	<b>N/A</b>
Expenditures:					
Salaries & employee benefits	—	—	N/A	—	N/A
Materials suppl & maintenance	—	—	N/A	—	N/A
Prof services/contracts & utilities	—	—	N/A	—	N/A
Travel, training & membership dues	—	—	N/A	—	N/A
Interdepartmental charges	—	—	N/A	—	N/A
<b>Total expenditures</b>	<b>—</b>	<b>—</b>	<b>N/A</b>	<b>—</b>	<b>N/A</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>—</b>	<b>413</b>	<b>N/A</b>	<b>268</b>	<b>N/A</b>
Other financing sources (uses):					
Operating transfers in	—	—	N/A	—	N/A
Operating transfers out	—	—	N/A	—	N/A
Advances from County and developer	—	—	N/A	—	N/A
<b>Total other financing sources, net</b>	<b>—</b>	<b>—</b>	<b>N/A</b>	<b>—</b>	<b>N/A</b>
<b>From Fund Balance</b>	<b>—</b>	<b>—</b>	<b>N/A</b>	<b>—</b>	<b>N/A</b>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	<b>\$ —</b>	<b>\$ 413</b>	<b>N/A</b>	<b>\$ 268</b>	<b>N/A</b>



## Schedule Q-2

### Downtown Redevelopment Capital Project Fund Statement of Revenues, Expenditures - Budget to Actual For Thirteen Periods ended June 30, 2007 - 100.0% Expired

	(A) Budget	Actual	% of Budget	2006 Year-to-date Actual W/O Enc.	2006 Budget % W/O Enc.
Revenues:					
Use of money and property	\$ 25,970	\$ 41,196 (B)	158.6%	\$ 43,139	124.6%
<b>Total revenues</b>	<b>25,970</b>	<b>41,196</b>	<b>158.6%</b>	<b>43,139</b>	<b>124.6%</b>
Expenditures:					
Salaries & employee benefits	45,953	30,309 (C)	66.0%	174,870	68.5%
Materials suppl & maintenance	26,755	11,648 (D)	43.5%	—	0.0%
Prof services/contracts & utilities	255,962	85,721 (D)	33.5%	483,489	72.2%
Travel, training & membership dues	63,600	15,093 (D)	23.7%	9,464	34.3%
Interdepartmental charges	108,500	28,056 (E)	25.9%	41,024	75.5%
<b>Total expenditures</b>	<b>500,770</b>	<b>170,827</b>	<b>34.1%</b>	<b>708,847</b>	<b>69.4%</b>
Excess (deficiency) of revenues over expenditures	(474,800)	(129,631)	27.3%	(665,708)	67.5%
Other financing sources (uses):					
Advances from the City	426,301	— (F)	0.0%	—	0.0%
Operating transfers out/transfer to City	(20,700)	(20,700)	100.0%	(2,100)	100.0%
<b>Total other financing sources, net</b>	<b>405,601</b>	<b>(20,700)</b>	<b>-105.1%</b>	<b>(2,100)</b>	<b>-0.3%</b>
<b>From Fund Balance</b>	<b>69,199</b>	<b>150,331</b>	<b>217.2%</b>	<b>667,808</b>	<b>387.7%</b>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	<b>\$ —</b>	<b>\$ —</b>	<b>N/A</b>	<b>\$ —</b>	<b>N/A</b>

- (A) Annual budget includes prior year encumbrances of \$6,144.  
 (B) New \$500/month lease was not included in the budget. Budget has been adjusted in FY07-08.  
 (C) Salary and benefits for RDA staff were charged to General Fund after Period 7.  
 (D) Project activity is minimal during the year resulting in a decrease to materials and service fee requirements.  
 (E) Indirect cost budget is too high. Budget was adjusted in FY07-08.  
 (F) Additional advances were not needed during the year due to minimal project cost.

## Schedule Q-3

**Industrial Redevelopment Capital Project Fund**  
Statement of Revenues, Expenditures - Budget to Actual  
For Thirteen Periods ended June 30, 2007 - 100.0% Expired

	Budget	Actual	% of Budget	2006 Year-to-date Actual W/O Enc.	2006 Budget % W/O Enc.
Revenues:					
Use of money and property	\$ —	\$ 5,373	N/A	\$ 8,228	41.1%
<b>Total revenues</b>	<b>—</b>	<b>5,373</b>	<b>N/A</b>	<b>8,228</b>	<b>41.1%</b>
Expenditures:					
Salaries & employee benefits	—	—	N/A	225,132	96.9%
Materials suppl & maintenance	—	—	N/A	168	1.3%
Prof services/contracts & utilities	—	—	N/A	9,565	13.8%
Travel, training & membership dues	—	—	N/A	5,553	14.3%
Interdepartmental charges	—	—	N/A	58,298	84.8%
<b>Total expenditures</b>	<b>—</b>	<b>—</b>	<b>N/A</b>	<b>298,716</b>	<b>70.9%</b>
Excess (deficiency) of revenues over expenditures	—	5,373	N/A	(290,488)	72.3%
Other financing sources (uses):					
Operating transfers out/transfer to City	—	—	N/A	(18,600)	100.0%
Capital project - Fund 4704	—	(12,950) (A)	N/A	(115,486)	N/A
<b>Total other financing sources, net</b>	<b>—</b>	<b>(12,950)</b>	<b>N/A</b>	<b>(134,086)</b>	<b>720.9%</b>
<b>From Fund Balance</b>	<b>—</b>	<b>7,577</b>	<b>N/A</b>	<b>424,574</b>	<b>101.0%</b>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	<b>\$ —</b>	<b>\$ —</b>	<b>N/A</b>	<b>\$ —</b>	<b>N/A</b>

(A) This represents Redevelopment Agency's share of the replacement of the Radio Communications System.

## Schedule Q-4

### Low Moderate Income Housing Redevelopment Capital Project Fund

Statement of Revenues, Expenditures - Budget to Actual

For Thirteen Periods ended June 30, 2007 - 100.0% Expired

	Budget	Actual	% of Budget	2006 Year-to-date Actual W/O Enc.	2006 Budget % W/O Enc.
Revenues:					
Use of money and property	\$ 133,900	\$ 275,240 (A)	205.6%	\$ 177,907	136.9%
Other	—	—	N/A	—	N/A
<b>Total revenues</b>	<b>133,900</b>	<b>275,240</b>	<b>205.6%</b>	<b>177,907</b>	<b>136.9%</b>
Expenditures:					
Salaries & employee benefits	411,157	333,188 (B)	81.0%	359,546	90.5%
Materials suppl & maintenance	136,998	102,169 (C)	74.6%	113,844	83.2%
Prof services/contracts & utilities	170,054	— (C)	0.0%	14,680	8.4%
Travel, training & membership dues	1,100	— (C)	0.0%	—	0.0%
Interdepartmental charges	3,000	3,000	100.0%	3,000	100.0%
<b>Total expenditures</b>	<b>722,309</b>	<b>438,357</b>	<b>60.7%</b>	<b>491,070</b>	<b>68.8%</b>
Excess (deficiency) of revenues over expenditures	(588,409)	(163,117)	27.7%	(313,163)	53.6%
Other financing sources (uses):					
Operating transfers in	1,264,468	1,267,619	100.2%	1,202,522	103.0%
Operating transfers out	(18,800)	(18,800)	100.0%	(18,800)	100.0%
<b>Total other financing sources, net</b>	<b>1,245,668</b>	<b>1,248,819</b>	<b>100.3%</b>	<b>1,183,722</b>	<b>103.1%</b>
<b>From Fund Balance</b>	<b>—</b>	<b>—</b>	<b>N/A</b>	<b>—</b>	<b>N/A</b>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	<b>\$ 657,259</b>	<b>\$ 1,085,702</b>	<b>165.2%</b>	<b>\$ 870,559</b>	<b>154.2%</b>

(A) Cash balance continued to increase due to minimal project activity during the year.

(B) Salary and benefits for RDA staff were charged to General Fund after Period 7.

(C) Project activity is minimal during the year resulting to a decrease in materials and services.

Note: The Low Mod Housing Fund has a cash balance of \$6,820,722 as of 6/30/07 that is available for projects.

## Schedule R

**Torrance Public Financing Authority Debt Service Fund**  
Statement of Revenues, Expenditures and Changes in Fund Balances  
For Thirteen Periods ended June 30, 2007 100.0% Expired

	1998 Certificates of Participation 10.3m Refunding	2004 A&B Certificates of Participation 43.13m Refunding	Total
Revenues:			
Use of money and property:			
Investment Earnings	\$ 32,348	\$ 144,822	\$ 177,170
Rental Income	510,755	2,767,598	3,278,353
<b>Total revenues</b>	543,103	2,912,420	3,455,523
Expenditures:			
Administration	—	—	—
Bond and other loan principal	195,000	810,000	1,005,000
Bond and other loan interest	348,087	1,963,321	2,311,408
Other	—	—	—
<b>Total expenditures</b>	543,087	2,773,321	3,316,408
<b>Excess (deficiency) of revenues over expenditures</b>	16	139,099	139,115
Other financing sources (uses):			
Operating transfers out	—	(138,618)	(138,618)
Operating transfers in	—	—	—
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	16	481	497
<b>Fund balances, July 1, 2006</b>	553,400	2,780,692	3,334,092
<b>Fund balances, June 30, 2007</b>	\$ 553,416	(A) \$ 2,781,173	(A) \$ 3,334,589

(A) Represents required bond reserves held with the fiscal agent.

## Schedule S

**Skypark Redevelopment Debt Service Fund**  
Statement of Revenues & Expenditures - Budget to Actual  
For Thirteen Periods ended June 30, 2007 - 100.0% Expired

	Budget	Actual	% of Budget	2006 Year-to-date Actual W/O Enc.	2006 Budget % W/O Enc.
Revenues:					
Property taxes	\$ 645,162	\$ 493,864	(A) 76.5%	\$ 535,835	97.6%
Use of money and property	3,000	15,773	(B) 525.8%	11,652	388.4%
<b>Total revenues</b>	<b>648,162</b>	<b>509,637</b>	<b>78.6%</b>	<b>547,487</b>	<b>99.2%</b>
Expenditures:					
Administration	8,280	7,720	(C) 93.2%	8,431	105.4%
Bond and other loan principal	248,762	248,761	100.0%	229,994	100.0%
Bond and other loan interest	157,323	157,323	100.0%	176,091	100.0%
<b>Total expenditures</b>	<b>414,365</b>	<b>413,804</b>	<b>99.9%</b>	<b>414,516</b>	<b>100.1%</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>233,797</b>	<b>95,833</b>	<b>41.0%</b>	<b>132,971</b>	<b>96.4%</b>
Other financing sources (uses):					
Operating transfers out - Low-Mod Housing Fund	(129,032)	(98,773)	(A) 76.5%	(107,167)	97.6%
<b>Total other financing sources (uses)</b>	<b>(129,032)</b>	<b>(98,773)</b>	<b>76.5%</b>	<b>(107,167)</b>	<b>97.6%</b>
<b>From Fund Balance</b>	<b>—</b>	<b>2,940</b>	<b>N/A</b>	<b>—</b>	<b>N/A</b>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	<b>\$ 104,765</b>	<b>\$ —</b>	<b>N/A</b>	<b>\$ 25,804</b>	<b>91.8%</b>

- (A) Property tax increments received in November were low due to an adjustment of prior year's assessed valuation which decreased the tax increments by \$75,222. The amount of operating transfers to Low-Mod Housing are directly proportional to the amount of incremental property tax received.
- (B) The amount budgeted for the year is low.
- (C) Bond admin costs are lower during the year.

## Schedule S-1

**Downtown Redevelopment Debt Service Fund**  
Statement of Revenues & Expenditures - Budget to Actual  
For Thirteen Periods ended June 30, 2007 - 100.0% Expired

	Budget	Actual	% of Budget	2006 Year-to-date Actual W/O Enc.	2006 Budget % W/O Enc.
Revenues:					
Property taxes	\$ 1,743,954	\$ 1,869,685	(A) 107.2%	\$ 1,727,365	107.9%
Use of money and property	40,000	83,417	(B) 208.5%	58,464	97.4%
<b>Total revenues</b>	<b>1,783,954</b>	<b>1,953,102</b>	<b>109.5%</b>	<b>1,785,829</b>	<b>107.5%</b>
Expenditures:					
Administration	33,600	30,080	(C) 89.5%	25,557	76.1%
Bond and other loan principal	175,000	632,764	(D) 361.6%	165,000	100.0%
Bond and other loan interest	1,773,667	1,346,953	(E) 75.9%	990,379	54.6%
Other	991,790	1,065,716	(A) 107.5%	984,056	108.2%
<b>Total expenditures</b>	<b>2,974,057</b>	<b>3,075,513</b>	<b>103.4%</b>	<b>2,164,992</b>	<b>74.1%</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(1,190,103)</b>	<b>(1,122,411)</b>	<b>94.3%</b>	<b>(379,163)</b>	<b>30.1%</b>
Other financing sources (uses):					
Operating transfers out - Low Mod Housing	(348,791)	(373,937)	(A) 107.2%	(345,473)	107.9%
Advances from county deferred share	1,429,616	1,377,398	96.3%	1,381,590	92.7%
<b>Total other financing sources (uses)</b>	<b>1,080,825</b>	<b>1,003,461</b>	<b>92.8%</b>	<b>1,036,117</b>	<b>88.5%</b>
<b>From Fund Balance</b>	<b>109,278</b>	<b>118,950</b>	<b>N/A</b>	<b>—</b>	<b>0.0%</b>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	<b>\$ —</b>	<b>\$ —</b>	<b>92.8%</b>	<b>\$ 656,954</b>	<b>N/A</b>

- (A) Actual tax increments increased due to a higher assessed value than estimated amount during budget preparation. The amount of the county pass-thru (shown as "other" above) and the amount of the operating transfers to Low-Mod Housing are directly proportional to the amount of incremental property tax received.
- (B) The amount budgeted for the year is low.
- (C) Bond admin costs are lower during the year.
- (D) This amount includes payment of principal on City Advances in the amount of \$457,764.
- (E) The amount budgeted for the interest payment on City Advances was not needed. The Downtown capital project fund's activity during the year was minimal.

## Schedule S-2

**Industrial Redevelopment Debt Service Fund**  
Statement of Revenues & Expenditures - Budget to Actual  
For Thirteen Periods ended June 30, 2007 - 100.0% Expired

	Budget	Actual	% of Budget	2006 Year-to-date Actual W/O Enc.	2006 Budget % W/O Enc.
Revenues:					
Sales tax	\$ 2,244,000	\$ 2,275,197	101.4%	\$ 2,177,070	80.6%
Property tax Flip	772,500	720,126 (A)	93.2%	720,126	N/A
Property taxes	3,933,225	3,974,542	101.1%	3,751,282	101.7%
Use of money and property	217,990	237,947 (B)	109.2%	166,918	111.3%
<b>Total revenues</b>	<b>7,167,715</b>	<b>7,207,812</b>	<b>100.6%</b>	<b>6,815,396</b>	<b>104.3%</b>
Expenditures:					
Administration	77,520	55,590 (C)	71.7%	58,488	77.0%
Bond and other loan principal	785,000	1,386,668 (D)	176.6%	725,000	100.0%
Bond and other loan interest	2,168,548	2,168,547	100.0%	1,588,316	102.9%
Other	988,181	909,820 (E)	92.1%	917,122	95.7%
<b>Total expenditures</b>	<b>4,019,249</b>	<b>4,520,625</b>	<b>112.5%</b>	<b>3,288,926</b>	<b>99.6%</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>3,148,466</b>	<b>2,687,187</b>	<b>85.3%</b>	<b>3,526,470</b>	<b>109.0%</b>
Other financing sources (uses):					
Operating transfers out - General Fund	(2,150,000)	(2,150,000)	100.0%	(2,150,000)	100.0%
Operating transfers out - Low Mod Housing	(786,645)	(794,909)	101.1%	(749,882)	101.7%
<b>Total other financing sources (uses)</b>	<b>(2,936,645)</b>	<b>(2,944,909)</b>	<b>100.3%</b>	<b>(2,899,882)</b>	<b>100.4%</b>
<b>From Fund Balance</b>	<b>—</b>	<b>257,722</b>	<b>N/A</b>	<b>—</b>	<b>N/A</b>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	<b>\$ 211,821</b>	<b>\$ —</b>	<b>N/A</b>	<b>\$ 626,588</b>	<b>N/A</b>

- (A) Actual amount was based on prior year's remittance from the State.  
 (B) Budgeted amount is low.  
 (C) Bond admin costs are lower during the year.  
 (D) This amount includes payment of principal on City Advances in the amount of \$601,668.  
 (E) Budgeted amount was calculated based on prior years' percentage of county pass-thru and gross tax increments.

## Schedule T

### HOUSING AUTHORITY OF THE CITY OF TORRANCE (HA) STATEMENT OF REVENUE AND EXPENSES - BUDGET TO ACTUAL FOR THIRTEEN PERIODS ENDED JUNE 30, 2007 100.0% EXPIRED

	Annual Budget	Year-to-Date Actual Without Enc.	Budget % Without Enc.	2006 Year-to-date Actual Without Enc.	2006 Budget % Without Enc.
Revenues:					
Use of money and property	\$ 10,000	\$ 46,551 (A)	465.5%	\$ 20,571	205.7%
Section 8 Voucher Program - HUD	5,366,000	5,406,014	100.7%	5,234,434	100.4%
Administration Fees Earned	1,000	-	NA	1,186	118.6%
<b>Total revenues</b>	<b>5,377,000</b>	<b>5,452,565</b>	<b>101.4%</b>	<b>5,256,191</b>	<b>100.6%</b>
Expenditures:					
Current:					
Salaries & Benefits	603,300	441,870 (B)	73.2%	583,896	96.3%
Materials & Supplies	13,020	9,385 (C)	72.1%	13,861	99.4%
Rental Assistance Payments	4,816,000	4,323,922 (D)	89.8%	4,255,308	89.9%
Professional Technical	25,000	20,067 (C)	80.3%	27,741	86.7%
City Charges	114,518	93,480 (E)	81.6%	115,124	96.3%
Other	5,000	2,825 (C)	56.5%	2,389	47.8%
Capital outlay	17,800	- (C)	NA	—	NA
<b>Total expenditures</b>	<b>5,594,638</b>	<b>4,891,549</b>	<b>87.0%</b>	<b>4,998,319</b>	<b>90.5%</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(217,638)</b>	<b>561,016</b>	<b>357.8%</b>	<b>257,872</b>	<b>186.7%</b>
Operating transfers out	(1,400)	— (F)	0.0%	(1,400)	100.0%
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	<b>(219,038)</b>	<b>561,016</b>	<b>356.1%</b>	<b>\$ 256,472</b>	<b>185.8%</b>
<b>Fund balances, July 1, 2006</b>	<b>884,938</b>	<b>884,938 (G)</b>	<b>100.0%</b>		
<b>Fund balances, June 30, 2007</b>	<b>\$ 665,900</b>	<b>\$ 1,445,954</b>	<b>217.1%</b>		

- (A) Investment Earnings are higher than anticipated. The U.S. Department of Housing and Urban Development (HUD) has changed the way they collect data; the year-end settlements have been replaced by quarterly reports. Due to the uncertainty of future interest earnings the budget of \$10,000 has increased slightly to \$32,000 for 2008.
- (B) The salaries and benefits budget has not been fully utilized, due to program cuts effective July 1st, one half of the Housing Administrator and one Secretarial position has been moved to Community Development in the General Fund. Salary savings has also been realized by the vacancy of one Housing Specialist effective January 2007.
- (C) Due to budget constraints from HUD for administrative revenue the Housing Authority did not fully utilized the operating expenditure budget for discretionary costs.
- (D) Rental Assistant payments have been on average \$360,327 a month which is less than the budgeted amount of \$401,333 a month.
- (E) Indirect costs are less than budget due to salaries and benefits program cuts.
- (F) HUD requires all of the expenditures be charged directly to the Housing Authority and doesn't allow charges to the City's replacement funds. New computers charges in fiscal year 2007 were charged directly to the Housing Authority professional services budget in the amount of \$7,720.
- (G) As of July 1, \$829,443 of the fund balance shown is for HAP Reserve, the other \$55,495 is for Administration Fee Reserve.



**(THIS PAGE LEFT INTENTIONALLY BLANK)**

## Schedule U

### Selected Special Revenue Funds

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances

For Thirteen Periods Ended, June 30, 2007 - 100% Expired

	*Parks and Recreation Facilities Fund	*Seismic Education Fund	Workforce Investment Network Fund	Street Lighting Assessment Fund
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 1,251,809
Fines, forfeitures and penalties	-	-	-	-
Use of money and property	63,689	2,057	-	-
Intergovernmental	171,050	-	3,213,789	-
Other	-	1,553	4,740	-
<b>Total revenues</b>	<b>234,739</b>	<b>3,610</b>	<b>3,218,529</b>	<b>1,251,809</b>
Expenditures:				
Current:				
Salaries & Benefits	-	-	2,306,878	530,658
Materials and Services	-	-	352,126	523,351
Professional Technical	9,000	-	468,707	1,495,554
City Charges	-	-	71,458	-
Other	-	-	19,360	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>9,000</b>	<b>-</b>	<b>3,218,529</b>	<b>2,549,563</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>225,739</b>	<b>3,610</b>	<b>-</b>	<b>(1,297,754)</b>
Other financing sources (uses):				
Operating transfers in	-	-	-	1,228,257
Operating transfers out	-	-	-	-
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	<b>225,739</b>	<b>3,610</b>	<b>-</b>	<b>(69,497)</b>
<b>Fund balances (deficits), July 1, 2006</b>	<b>1,076,073</b>	<b>21,072</b>	<b>-</b>	<b>454,022</b>
<b>Fund Balances (deficits), June 30, 2007</b>	<b>\$ 1,301,812</b>	<b>\$ 24,682</b>	<b>\$ -</b>	<b>\$ 384,525</b>

\* This fund does not have an annually adopted budget, but is budgeted over two or more years using a project budget. Therefore, this fund does not appear in the preceding "Expenditure Summary - Budget to Actual - All Funds with Annually Adopted Budgets" Schedules.

\*\* While this fund is budgeted with a project budget, a portion of the budget is included in the Adopted Budget. This portion, which pertains to operating transfers out to the General Fund, is shown on the preceding "Expenditure Summary - Budget to Actual - All Funds with Annually Adopted Budgets" Schedules.

Continued

Drainage Improvement Fund	*Parks Rehabilitation and Open Space Fund	*Proposition C Fund	*Bicycle Transportation Fund	Underground Storage Tank Fund	**State Gas Tax Street Improvement Fund
\$ -	\$ -	\$ -	\$ -	\$ 750	\$ -
-	-	-	-	-	-
13,807	161,827	199,135	2,195	-	543,967
-	486,780	1,959,469	210,579	-	2,628,687
902	-	-	-	-	-
14,709	648,607	2,158,604	212,774	750	3,172,654
-	-	-	-	-	56,045
-	-	-	-	-	-
-	31,109	450,746	212,765	-	1,222,232
-	-	-	-	-	-
399	-	-	-	-	-
-	196,730	-	-	-	38,646
399	227,839	450,746	212,765	-	1,316,923
14,310	420,768	1,707,858	9	750	1,855,731
-	-	-	-	-	-
-	-	(29,698)	-	-	(840,000)
14,310	420,768	1,678,160	9	750	1,015,731
5,008	2,129,796	2,865,105	(9)	750	5,419,665
\$ 19,318	\$ 2,550,564	\$ 4,543,265	\$ -	\$ 1,500	\$ 6,435,396

(Continued)

## Schedule U-Continued

### Selected Special Revenue Funds

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances

For Thirteen Periods Ended, June 30, 2007 - 100% Expired

	Meadowpark Parking Lot District Fund	*Police Inmate Welfare Fund	*Grants and Donations Fund	Federal Housing and Community Development Fund
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Fines, forfeitures and penalties	-	-	-	-
Use of money and property	23,436	3,777	25,551	-
Intergovernmental	-	-	1,307,007	-
Other	-	10,035	124,111	-
<b>Total revenues</b>	23,436	13,812	1,456,669	-
Expenditures:				
Current:				
Salaries & Benefits	-	-	267,694	-
Materials and Services	-	757	45,161	-
Professional Technical	16,737	12,483	1,028,302	-
City Charges	-	-	-	-
Other	-	-	-	-
Capital outlay	-	-	179,134	-
<b>Total expenditures</b>	16,737	13,240	1,520,291	-
<b>Excess (deficiency) of revenues over expenditures</b>	6,699	572	(63,622)	-
Other financing sources (uses):				
Operating transfers in	-	-	-	36,900
Operating transfers out	-	-	(273,710)	-
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	6,699	572	(337,332)	36,900
<b>Fund balances (deficits), July 1, 2006</b>	23,514	76,254	1,166,970	593,056
<b>Fund Balances (deficits), June 30, 2007</b>	\$ 30,213	\$ 76,826	\$ 829,638	\$ 629,956

- \* This fund does not have an annually adopted budget, but is budgeted over two or more years using a project budget. Therefore, this fund does not appear in the preceding "Expenditure Summary - Budget to Actual - All Funds with Annually Adopted Budgets" Schedules.

## Continued

*Asset Forfeiture Fund	*Geologic Hazard Abatement Fund	*El Camino Training Fund	*Prop 42 Traffic Congestion Relief Fund	DNA Sampling Fund	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,252,559
731,963	-	-	-	-	731,963
127,454	-	-	27,937	-	1,194,832
-	-	-	1,076,069	-	11,053,430
161,123	-	71,751	-	6,570	380,785
1,020,540	-	71,751	1,104,006	6,570	14,613,569
39,409	-	-	50,096	-	3,250,780
417,274	-	-	-	-	1,338,669
223,273	-	-	1,078,161	-	6,249,069
-	-	-	-	-	71,458
13,200	-	2,774	-	-	35,733
25,439	-	-	-	-	439,949
718,595	-	2,774	1,128,257	-	11,385,658
301,945	-	68,977	(24,251)	6,570	3,227,911
-	-	-	-	-	1,265,157
-	-	-	-	-	(1,143,408)
301,945	-	68,977	(24,251)	6,570	3,349,660
2,935,042	14,317	379,111	664,084	-	17,823,830
\$ 3,236,987	\$ 14,317	\$ 448,088	\$ 639,833	\$ 6,570	\$ 21,173,490

**CABLE & COMMUNITY RELATIONS/PUBLIC ACCESS****BALANCE SHEET**  
*June 30, 2007*

	<b><i>Cable &amp; Community Relations June 30, 2007</i></b>	<b><i>Public Access June 30, 2007</i></b>	<b><i>Total</i></b>
<b>ASSETS</b>			
Pooled cash and investments	\$ 1,312,644	\$ 41,369	\$ 1,354,013
Accrued interest receivable	23,880	-	23,880
Accounts receivable	369,860	-	369,860
Prepayments	511	-	511
<b>Total Assets</b>	<b>\$ 1,706,895</b>	<b>\$ 41,369</b>	<b>\$ 1,748,264</b>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Current Liabilities</b>			
Accrued liabilities	\$ 14,822	1,325	\$ 16,147
Accrued salaries and benefits	127,187	-	127,187
<b>Total Liabilities</b>	<b>142,009</b>	<b>1,325</b>	<b>143,334</b>
<b>Fund Balance</b>			
Unreserved	1,564,886	40,044	1,604,930
<b>Total Liabilities and Fund Balance</b>	<b>\$ 1,706,895</b>	<b>\$ 41,369</b>	<b>\$ 1,748,264</b>

**CABLE & COMMUNITY RELATIONS****STATEMENT OF REVENUES AND EXPENSES-BUDGET TO ACTUAL  
FOR THIRTEEN PERIODS ENDED, JUNE 30, 2007 - 100% EXPIRED**

	<b>Annual Budget</b>	<b>Year-To-Date Actual Without Enc.</b>	<b>Budget % Without Enc.</b>	<b>2006 Year-To-Date Actual Without Enc.</b>	<b>2006 Budget % Without Enc.</b>
<b>OPERATING REVENUES</b>					
Franchise Fees	\$ 1,400,000	\$ 1,453,909	103.9%	\$ 1,416,783	113.3%
Miscellaneous	48,600	36,122	74.3%	43,643	145.5%
<b>Total Operating Revenues</b>	<b>1,448,600</b>	<b>1,490,031</b>	<b>102.9%</b>	<b>1,460,426</b>	<b>114.1%</b>
<b>OPERATING EXPENSES:</b>					
Salaries and employee benefits	797,722	781,052	97.9%	751,368	93.1%
Materials and supplies	42,504	32,707	77.0%	47,730	84.7%
Other professional services	72,021	71,415	99.2%	63,043	95.3%
Interdepartmental charges	50,482	50,482	100.0%	50,482	100.0%
Capital Outlay	24,246	279	1.2%	27,103	96.8%
Litigation and claims	8,594	4,365	50.8%	4,365	50.8%
Other	8,500	8,500	100.0%	9,186	96.7%
<b>Total Operating Expenses</b>	<b>1,004,069</b>	<b>948,800</b>	<b>94.5%</b>	<b>953,277</b>	<b>92.9%</b>
<b>OPERATING INCOME (LOSS)</b>	<b>444,531</b>	<b>541,231</b>	<b>121.8%</b>	<b>507,149</b>	<b>199.9%</b>
<b>NON-OPERATING REVENUES</b>					
Interest income - Operations	50,000	86,969	173.9% (A)	54,145	154.7%
<b>Total Non-Operating Revenues</b>	<b>50,000</b>	<b>86,969</b>	<b>173.9%</b>	<b>54,145</b>	<b>154.7%</b>
<b>Income (Loss) before transfers</b>	<b>494,531</b>	<b>628,200</b>	<b>127.0%</b>	<b>561,294</b>	<b>194.4%</b>
<b>OPERATING TRANSFERS IN</b>	<b>-</b>	<b>-</b>	<b>N/A</b>	<b>50,831</b>	<b>100.0%</b>
<b>OPERATING TRANSFERS OUT</b>	<b>(165,537)</b>	<b>(165,537)</b>	<b>100.0%</b>	<b>(145,380)</b>	<b>100.0%</b>
<b>NET INCOME (LOSS)</b>	<b>\$ 328,994</b>	<b>\$ 462,663</b>	<b>140.6%</b>	<b>\$ 466,745</b>	<b>240.4%</b>

(A) Interest earnings are higher than the amount budgeted due to higher interest rates and a high cash balance.

**CABLE & COMMUNITY RELATIONS****STATEMENT OF CASH FLOWS  
FOR THIRTEEN PERIODS ENDED, JUNE 30, 2007****Cash flows from operating activities**

Operating income	\$541,231
Adjustments to reconcile operating income to net cash provided by operating activities	
(Increase) in accounts receivable	(4,950)
(Increase) in interest receivable	(9,133)
(Decrease) in accounts payable	(4,348)
Increase in accrued liabilities	31,000
(Increase) in prepayments	(3)

**Net cash provided by operating activities** \$553,797

**Cash flows from capital and related financing activities**

Capital expenditures	<u>(401,660)</u>
----------------------	------------------

**Net cash used by capital and related financing activities** (401,660)

**Cash flows from investing activities**

Interest on investments	<u>86,969</u>
-------------------------	---------------

**Net cash provided by investing activities** 86,969

**Cash flows from non-capital financing activities**

Transfers-out	<u>(165,537)</u>
---------------	------------------

**Net cash used by non-capital financing activities** (165,537)

**Net change in cash** 73,569

**Cash, and cash equivalents, July 1, 2006** 1,239,075

**Cash and cash equivalents, June 30, 2007** \$1,312,644



# Schedule V-3

## CABLE TV - PUBLIC ACCESS

### STATEMENT OF REVENUES AND EXPENSES-BUDGET TO ACTUAL FOR THIRTEEN PERIODS ENDED, JUNE 30, 2007 - 100% EXPIRED

	Annual Budget	Year-To-Date Actual Without Enc.	Budget % Without Enc.	2006 Year-To-Date Actual Without Enc.	2006 Budget % Without Enc.
<b>OPERATING REVENUES</b>					
Cable TV access fees	\$ 173,000	173,000	100.0%	\$ 173,000	100.0%
TCTV workshops	412	5	1.2%	1,035	251.2%
Miscellaneous	2,500	963	38.5%	1,374	55.0%
<b>Total Operating Revenues</b>	<b>175,912</b>	<b>173,968</b>	<b>98.9%</b>	<b>175,409</b>	<b>99.7%</b>
<b>OPERATING EXPENSES:</b>					
Salaries and employee benefits	229,311	221,650	96.7%	206,180	100.0%
Materials and supplies	15,111	7,101	47.0%	13,138	65.5%
Other professional services	19,300	18,027	93.4%	20,038	98.2%
Interdepartmental charges	25,319	25,319	100.0%	25,319	100.0%
Capital Outlay	25,000	22,836	91.3%	6,623	80.8%
Litigation and claims	4,427	2,249	50.8%	3,779	85.4%
Other	3,100	3,100	100.0%	3,100	100.0%
<b>Total Operating Expenses</b>	<b>321,568</b>	<b>300,282</b>	<b>93.4%</b>	<b>278,177</b>	<b>96.7%</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(145,656)</b>	<b>(126,314)</b>	<b>86.7%</b>	<b>(102,768)</b>	<b>91.9%</b>
<b>Income (Loss) before transfers</b>	<b>(145,656)</b>	<b>(126,314)</b>	<b>86.7%</b>	<b>(102,768)</b>	<b>91.9%</b>
<b>OPERATING TRANSFERS IN</b>	<b>150,356</b>	<b>150,356</b>	<b>100.0%</b>	<b>131,107</b>	<b>100.0%</b>
<b>OPERATING TRANSFERS OUT</b>	<b>(4,700)</b>	<b>(4,700)</b>	<b>100.0%</b>	<b>(4,733)</b>	<b>100.0%</b>
<b>NET INCOME (LOSS)</b>	<b>\$ -</b>	<b>19,342</b>	<b>N/A</b>	<b>\$ 23,606</b>	<b>162.5%</b>

***CABLE TV - PUBLIC ACCESS***  
**STATEMENT OF CASH FLOWS**  
**FOR THIRTEEN PERIODS ENDED, JUNE 30, 2007**

<b><i>Cash flows from operating activities</i></b>	
Operating loss	(\$126,314)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Increase in accrued liabilities	1,325
(Decrease) in accounts payable	(1,729)
	<hr/>
<b><i>Net cash used by operating activities</i></b>	<b>(\$126,718)</b>
<b><i>Cash flows from non-capital financing activities</i></b>	
Transfers in	150,356
Transfers out	(4,700)
	<hr/>
<b><i>Net cash provided by non-capital financing activities</i></b>	<b>145,656</b>
<b><i>Net change in cash</i></b>	<b>18,938</b>
<b>Cash, and cash equivalents, July 1, 2006</b>	<b>22,431</b>
	<hr/>
<b>Cash and cash equivalents, June 30, 2007</b>	<b>\$ 41,369</b>
	<hr/> <hr/>

**ANIMAL CONTROL FUND****BALANCE SHEET**

June 30, 2007

June 30, 2007**ASSETS**

Pooled Cash and Investments	\$	61,818
Accounts Receivable		24,923

<b>Total Assets</b>	<b>\$</b>	<b>86,741</b>
---------------------	-----------	---------------

**LIABILITIES AND FUND EQUITY****Current Liabilities**

Accrued Liabilities		6,501
---------------------	--	-------

<b>Total Liabilities</b>		<b>6,501</b>
--------------------------	--	--------------

**Fund Equity**

Retained Earnings - Reserved		80,240
------------------------------	--	--------

<b>Total Fund Equity</b>		<b>80,240</b>
--------------------------	--	---------------

<b>Total Liabilities and Fund Equity</b>	<b>\$</b>	<b>86,741</b>
--	-----------	---------------

Schedule W-1

**ANIMAL CONTROL FUND**

**STATEMENT OF REVENUES AND EXPENSES-BUDGET TO ACTUAL  
FOR THIRTEEN PERIODS ENDED, JUNE 30, 2007 - 100% EXPIRED**

	<b>Annual Budget(A)</b>	<b>Year-To-Date Actual Without Enc.</b>	<b>Budget % Without Enc.</b>	<b>FY 2006 Year-To-Date Actual Without Enc.</b>	<b>FY 2006 Budget % Without Enc.</b>
<b>OPERATING REVENUES</b>					
Animal licenses/permits	\$ 345,400	\$ 188,838 (B)	54.7%	232,622	67.3%
<b>Total Operating Revenues</b>	<b>345,400</b>	<b>188,838</b>	<b>54.7%</b>	<b>232,622</b>	<b>67.3%</b>
<b>OPERATING EXPENSES:</b>					
Salaries and employee benefits	231,300	221,605	95.8%	162,973	73.0%
Services and supplies	-	-	N/A	107	30.2%
Other professional services	88,461	64,875	73.3%	78,644	66.5%
Training, travel and membership dues	5,380	3,455	64.2%	517	4.7%
Others-interdepartmental charges	11,908	11,908	100.0%	11,908	100.0%
Capital outlay	6,620	6,620	100.0%	-	N/A
<b>Total Operating Expenses</b>	<b>343,669</b>	<b>308,463</b>	<b>89.8%</b>	<b>254,149</b>	<b>69.6%</b>
<b>OPERATING INCOME (LOSS)</b>	<b>1,731</b>	<b>(119,625)</b>	<b>-7010.7%</b>	<b>(21,527)</b>	<b>109.3%</b>
<b>FROM FUND BALANCE</b>	-	80,240	N/A	-	N/A
<b>OPERATING TRANSFERS IN</b>	-	-	N/A	32,231	100.0%
<b>NET INCOME (LOSS)</b>	<b>\$ 1,731</b>	<b>\$ (39,385)</b>	<b>-2375.3%</b>	<b>\$ 10,704</b>	<b>85.4%</b>

(A) Annual budget includes prior year encumbrances budget of \$3,461.

(B) Annual renewals have been increasing in May and June while decreasing in July. Budgeted revenues are currently under review in a City-wide fee study. A new PetData contract was approved at Council 5/22/07 with higher Pet Data fees which offset revenues.

**ANIMAL CONTROL FUND****STATEMENT OF CASH FLOWS  
FOR THIRTEEN PERIODS ENDED, JUNE 30, 2007****Cash flows from operating activities**

Operating loss	\$ (119,625)
Adjustments to reconcile operating loss to net cash used by operating activities	
Decrease in receivables	21,498
(Decrease) in accounts payable	(18,505)
Increase in accrued liabilities	6,501

**Net cash used by operating activities** \$ (110,131)

**Net change in cash** (110,131)

**Cash, restricted cash and cash equivalents, July 1, 2006** 171,949

**Cash, restricted cash and cash equivalents, June 30, 2007** \$ 61,818

## Schedule X

***AIR QUALITY MANAGEMENT DISTRICT FUND******BALANCE SHEET  
JUNE 30, 2007***

	<b><i>June 30, 2007</i></b>
<b><i>ASSETS</i></b>	
Pooled Cash and Investments	\$ 123,278
Due from from other government	45,926
<b><i>Total Assets</i></b>	<b>\$ 169,204</b>
<b><i>LIABILITIES AND FUND EQUITY</i></b>	
<b><i>Current Liabilities</i></b>	
Accounts Payable	\$ -
<b><i>Total Liabilities</i></b>	<b>-</b>
<b><i>Fund Equity</i></b>	
Retained Earnings - Reserved	24,124 (A)
Retained Earnings - Unreserved	145,080
<b><i>Total Fund Equity</i></b>	<b>169,204</b>
<b><i>Total Liabilities and Fund Equity</i></b>	<b>\$ 169,204</b>

(A) Represents amount used to balance FY06-07 budget

# Schedule X-1

## AIR QUALITY MANAGEMENT DISTRICT FUND Statement of Revenues & Expenditures-Budget to Actual For Thirteen Periods Ended June 30, 2007 - 100% Expired

	Budget	Actual	% of Budget	2006 Year-to-date Actual Without Enc.	2006 Budget % Without Enc.
Revenues:					
Use of money and property	\$ 3,000	\$ 4,540 (A)	151.3%	\$ 3,132	34.7%
Intergovernmental	162,000	177,283 (B)	109.4%	175,341	108.2%
<b>Total revenues</b>	<b>165,000</b>	<b>181,823</b>	<b>110.2%</b>	<b>178,473</b>	<b>108.8%</b>
Expenditures:					
Current:					
Salaries & Benefits	41,904	36,880 (C)	88.0%	36,039	100.0%
Materials & Supplies	79,500	60,970 (D)	76.7%	59,471	75.0%
Professional Technical	67,720	67,695	100.0%	67,642	99.9%
<b>Total expenditures</b>	<b>189,124</b>	<b>165,545</b>	<b>87.5%</b>	<b>163,152</b>	<b>89.1%</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(24,124)</b>	<b>16,278</b>	<b>-67.5%</b>	<b>15,321</b>	<b>-80.3%</b>
Operating Transfers Out	—	—	N/A	(190)	N/A
From Fund Balance	24,124	—	0.0%	—	0.0%
<b>Excess (deficiency) of revenues over expenditures</b>	<b>\$ -</b>	<b>\$ 16,278</b>	<b>N/A</b>	<b>\$ 15,131</b>	<b>N/A</b>

- (A) Interest earnings are higher during the year due to higher cash balance and interest rates.  
 (B) Revenues collected from AQMD were higher than anticipated.  
 (C) Actual labor charges from other departments were lower for the year.  
 (D) Redemption of points for the incentive program were lower than anticipated.

**Schedule Y**

***VAN POOL/RIDESHARE FUND***  
***BALANCE SHEET***  
***June 30, 2007***

***ASSETS***

Pooled Cash and Investments	\$	265,466
Receivables -Miscellaneous		4,382
<b><i>Total Assets</i></b>	<b>\$</b>	<b>269,849</b>

***LIABILITIES AND FUND EQUITY***

***Current Liabilities***

Accrued Liabilities	\$	6,529
		6,529

***Fund Equity***

Retained Earnings - Unreserved		263,320
<b><i>Total Fund Equity</i></b>		<b>263,320</b>

<b><i>Total Liabilities and Fund Equity</i></b>	<b>\$</b>	<b>269,849</b>
---	-----------	----------------



**VANPOOL/RIDESHARE FUND**  
**STATEMENT OF REVENUES AND EXPENSES - BUDGET TO ACTUAL**  
*For Thirteen Periods Ended June 30, 2007 - 100.0% Expired*

	Annual Budget	Year-to-Date Actual Without Enc.	Budget % Without Enc.	2006 Year-to-date Actual Without Enc.	2006 Budget % Without Enc.
<b>OPERATING REVENUES</b>					
Passenger Cash Fares	\$ 42,000	\$ 69,620 (A)	165.8%	\$ 49,657	124.1%
<b>Total Operating Revenues</b>	42,000	69,620	165.8%	49,657	124.1%
<b>OPERATING EXPENSES</b>					
Salaries and employee benefits	57,400	58,623 (B)	102.1%	54,156	96.4%
Services and supplies	172,528	138,466	80.3%	141,263	90.4%
Other professional services	3,600	2,100	58.3%	3,240	90.0%
Other	450	-	0.0%	58	12.9%
<b>Total Operating Expenses</b>	233,978	199,189	85.1%	198,717	91.8%
<b>OPERATING INCOME (LOSS)</b>	(191,978)	(129,569)	32.5%	(149,060)	84.5%
<b>OPERATING TRANSFERS IN</b>	154,900	154,900	100.0%	154,900	100.0%
<b>NET INCOME (LOSS)</b>	\$ (37,078)	\$ 25,331	168.3%	\$ 5,840	437.4%

## Notes:

- (A) Account 1908 - Passenger Cash Fares are higher than budgeted due to high ridership averaging at \$5,355/period from Vanpool fare tickets.  
 (B) Clerk Typist's actual rate is higher than the composite rate used for the budget.

**(THIS PAGE LEFT INTENTIONALLY BLANK)**



Schedules: Schedule A -- General Fund Revenue Summary - Budget to Actual for First Quarter Ended September 30, 2007.

Schedule B -- Expenditures Summary by Fund -- Budget to Actual-All Funds With Annually Adopted Budgets for First Quarter Ended September 30, 2007.

Schedule B-1 -- Expenditures Detail By Fund- Budget to Actual-All Funds With Annually Adopted Budgets-Salaries and Benefits Expenditures for First Quarter Ended September 30, 2007.

Schedule B-2 -- Expenditures Detail By Fund- Budget to Actual-All Funds With Annually Adopted Budgets- Materials, Services, and Other Expenditures for First Quarter Ended September 30, 2007.

Schedule B-3 -- Expenditures Summary-Budget to Actual-General Fund by Character for First Quarter Ended September 30, 2007.

Schedule B-4 -- Adopted Budget and Amendments by Fund for First Quarter Ended September 30, 2007.

Schedule C -- Internal Service and Enterprise Fund Revenue Summary- Budget to Actual for First Quarter Ended September 30, 2007.

Schedule D -- Fleet Services-Combined Fund Balance Sheet for First Quarter Ended September 30, 2007.

Schedule D-1 -- Fleet Services Combined Fund Statement of Revenues and Expenses-Budget to Actual for First Quarter Ended September 30, 2007.

Schedule D-2 -- Fleet Services Combined Fund Statement of Cash Flows for First Quarter Ended September 30, 2007.

Schedule D-3 -- Fleet-Operations and Maintenance Statement of Revenues and Expenses-Budget to Actual for First Quarter Ended September 30, 2007.

Schedule D-4 -- Fleet-Operations and Maintenance Statement of Cash Flows for First Quarter Ended September 30, 2007.

Schedule D-5 -- Fleet-Vehicle Replacement Fund Statement of Revenues and Expenses-Budget to Actual for First Quarter Ended September 30, 2007.

Schedule D-6 -- Fleet-Vehicle Replacement Fund Statement of Cash Flows for First Quarter Ended September 30, 2007.

Schedule E -- Self-Insurance Fund Balance Sheet for First Quarter Ended September 30, 2007.

Schedule E-1 -- Self-Insurance Fund Statement of Revenues and Expenses-Budget to Actual for First Quarter Ended September 30, 2007.

Schedule E-2 -- Self-Insurance Fund Statement of Cash Flows for First Quarter Ended September 30, 2007.

Schedule F -- Airport Fund Balance Sheet for First Quarter Ended September 30, 2007.

Schedule F-1 -- Airport Fund Statement of Revenues and Expenses-Budget to Actual for First Quarter Ended September 30, 2007.

Schedule F-2 -- Airport Fund-Aeronautical Statement of Revenues and Expenses-Budget to Actual for First Quarter Ended September 30, 2007.

Schedule F-3 -- Airport Fund Non-Aeronautical Statement of Revenues and Expenses-Budget to Actual for First Quarter Ended September 30, 2007.

Schedule F-4 -- Airport Fund Statement of Cash Flows for First Quarter Ended September 30, 2007.

Schedule G -- Transit Fund Balance Sheet for First Quarter Ended September 30, 2007.

Schedule G-1 -- Transit Fund Statement of Revenues and Expenses-Budget to Actual for First Quarter Ended September 30, 2007.

Schedule G-2 -- Transit Fund Statement of Cash Flows for First Quarter Ended September 30, 2007.

Schedule G-3 -- Municipal Area Express (MAX) Combining Statement of Revenues, Expenditures and Changes in Fund Balance for First Quarter Ended September 30, 2007.

Schedule H -- Water Fund Balance Sheet for First Quarter Ended September 30, 2007.

Schedule H-1 -- Water Fund Operations Statement of Revenues and Expenses-Budget to Actual for First Quarter Ended September 30, 2007.

Schedule H-2 -- Water Fund Statement of Cash Flows for First Quarter Ended September 30, 2007.

Schedule I -- Emergency Medical Services Fund Balance Sheet for First Quarter Ended September 30, 2007.

Schedule I-1 -- Emergency Medical Services Fund Statement of Revenues and Expenses-Budget to Actual for First Quarter Ended September 30, 2007.

Schedule I-2 -- Emergency Medical Services Statement of Cash Flows for First Quarter Ended September 30, 2007.

Schedule J -- Sanitation Enterprise Fund Balance Sheet for First Quarter Ended September 30, 2007.

Schedule J-1 -- Sanitation Enterprise Fund Statement of Revenues and Expenses-Budget to Actual for First Quarter Ended September 30, 2007.

Schedule J-2 -- Sanitation Enterprise Fund Statement of Cash Flows for First Quarter Ended September 30, 2007.

Schedule K -- Cultural Arts Center Enterprise Fund Balance Sheet for First Quarter Ended September 30, 2007.

Schedule K-1 -- Cultural Arts Center Enterprise Fund Statement of Revenues and Expenses-Budget to Actual for First Quarter Ended September 30, 2007.

Schedule K-2 -- Cultural Arts Center Enterprise Fund Budget to Actual by Programs for First Quarter Ended September 30, 2007.

Schedule K-3 -- Cultural Arts Center Enterprise Fund Statement of Cash Flows for First Quarter Ended September 30, 2007.

Schedule L -- Sewer Enterprise Fund Balance Sheet for First Quarter Ended September 30, 2007.

Schedule L-1 -- Sewer Enterprise Fund Operations Statement of Revenues and Expenses-Budget to Actual for First Quarter Ended September 30, 2007.

Schedule L-2 -- Sewer Enterprise Fund Operations Statement of Cash Flows for First Quarter Ended September 30, 2007.

Schedule M -- Parks and Recreation Enterprise Fund Balance Sheet for First Quarter Ended September 30, 2007.

Schedule M-1 -- Parks and Recreation Enterprise Fund Statement of Revenues and Expenses-Budget to Actual for First Quarter Ended September 30, 2007.

Schedule M-2 -- Parks and Recreation -- Recreation Services Statement of Revenues and Expenses-Budget to Actual for First Quarter Ended September 30, 2007.

Schedule M-3 -- Parks and Recreation -- Cultural Services Statement of Revenues and Expenses-Budget to Actual for First Quarter Ended September 30, 2007.

Schedule M-4 -- Parks and Recreation Enterprise Fund Statement of Cash Flows for First Quarter Ended September 30, 2007.

Schedule N -- Capital Improvements Fund Balance Sheet for First Quarter Ended September 30, 2007.

Schedule N-1 -- Capital Improvements Fund Statement of Revenues, Expenditures and Changes in Fund Balance for First Quarter Ended September 30, 2007.

Schedule O -- Prop C Local Return/Grants and Discretionary Funds Balance Sheet for First Quarter Ended September 30, 2007.

Schedule O-1 -- Prop C Local Return/Grants and Discretionary Funds Combining Statement of Revenues, Expenditures and Changes in Fund Balances for First Quarter Ended September 30, 2007.

Schedule P -- Torrance Public Financing Authority Restricted Capital Project Fund Statement of Revenues, Expenditures and Changes in Fund Balance for First Quarter Ended September 30, 2007.

Schedule Q -- Meadow Park Redevelopment Capital Project Fund Statement of Revenues and Expenditures-Budget to Actual for First Quarter Ended September 30, 2007.

Schedule Q-1 -- Skypark Redevelopment Capital Project Fund Statement of Revenues and Expenditures-Budget to Actual for First Quarter Ended September 30, 2007.

Schedule Q-2 -- Downtown Redevelopment Capital Project Fund Statement of Revenues and Expenditures-Budget to Actual for First Quarter Ended September 30, 2007.

Schedule Q-3 -- Industrial Redevelopment Capital Project Fund Statement of Revenues and Expenditures-Budget to Actual for First Quarter Ended September 30, 2007.

Schedule Q-4 -- Low Moderate Income Housing Redevelopment Capital Project Fund Statement of Revenues and Expenditures for First Quarter Ended September 30, 2007.

Schedule R -- Torrance Public Financing Authority Debt Service Fund Statement of Revenues, Expenditures and Changes in Fund Balance for First Quarter Ended September 30, 2007.

Schedule S -- Skypark Redevelopment Debt Service Fund Statement of Revenues and Expenditures-Budget to Actual for First Quarter Ended September 30, 2007.

Schedule S-1 -- Downtown Redevelopment Debt Service Fund Statement of Revenues and Expenditures-Budget to Actual for First Quarter Ended September 30, 2007.

Schedule S-2 -- Industrial Redevelopment Debt Service Fund Statement of Revenues and Expenditures-Budget to Actual for First Quarter Ended September 30, 2007.

Schedule T -- Housing Authority Statement of Revenues and Expenses for First Quarter Ended September 30, 2007.

Schedule U -- Selected Special Revenue Funds Combining Statement of Revenues, Expenditures and Changes in Fund Balances for First Quarter Ended September 30, 2007.

Schedule V -- Cable & Community Relations/Public Access Balance Sheet for First Quarter Ended September 30, 2007.

Schedule V-1 -- Cable & Community Relations Statement of Revenues and Expenses-Budget to Actual for First Quarter Ended September 30, 2007.



Schedule V-2 -- Cable & Community Relations Statement of Cash Flows for First Quarter Ended September 30, 2007.

Schedule V-3 -- Cable TV Public Access Statement of Revenues and Expenses-Budget to Actual for First Quarter Ended September 30, 2007.

Schedule V-4 -- Cable TV Public Access Cash Flows for First Quarter Ended September 30, 2007.

Schedule W -- Animal Control Fund Balance Sheet for First Quarter Ended September 30, 2007.

Schedule W-1 -- Animal Control Fund Statement of Revenues and Expenses --Budget to Actual for First Quarter Ended September 30, 2007.

Schedule W-2 -- Animal Control Fund Statement of Cash Flows for First Quarter Ended September 30, 2007.

Schedule X -- Air Quality Management District Fund Balance Sheet for First Quarter Ended September 30, 2007.

Schedule X-1 -- Air Quality Management District Fund Statement of Revenues and Expenses-Budget to Actual for First Quarter Ended September 30, 2007.

Schedule Y -- Vanpool/Rideshare Fund Balance Sheet for First Quarter Ended September 30, 2007.

Schedule Y-1 -- Vanpool/Rideshare Fund Statement of Revenues and Expenses-Budget to Actual for First Quarter Ended September 30, 2007.

# Schedule A

## GENERAL FUND REVENUE SUMMARY-BUDGET TO ACTUAL FOR THREE MONTHS ENDED SEPTEMBER 30, 2007 - 25.2% EXPIRED

	CURR YR YTD			FY 2006-2007	
	2007-2008	3 MONTHS ACTUAL	% OF	3 MONTHS ACTUAL	% OF
	BUDGET	September 30, 2007	BUDGET	September 30, 2006	BUDGET
<b><u>TAXES</u></b>					
Property taxes	\$2,294,685	\$2,103,749	91.7%	\$2,976,096	129.7%
VLF Swap and Repayment	-	-	0.0%	-	0.0%
Sales and use taxes	8,390,745	8,282,229	98.7%	7,808,003	93.1%
Sales Tax Flip	-	-	0.0%	-	0.0%
Utility users tax					
Electricity	4,072,340	4,056,618	99.6%	4,297,942	102.3%
Gas					
Refineries	1,040,605	1,499,367	144.1%	945,127	92.0%
Other	834,851	454,494	54.4%	589,573	76.7%
Water	402,912	435,069	108.0%	425,781	109.1%
Cable	470,303	427,610.00	90.9%	417,949	125.4%
Telecommunication/Cellular	2,094,473	2,033,090	97.1%	1,931,877	103.4%
Miscellaneous	1,055	1,202	113.9%	784	134.0%
Sub Total - Utility users tax	8,916,539	8,907,450	99.9%	8,609,033	100.2%
Business license tax/permit tax	155,730	196,150	126.0%	163,014	104.7%
Franchise tax	108,436	405,036	373.5%	409,271	377.4%
Occupancy tax	1,969,516	1,921,168	97.5%	1,750,792	99.6%
Construction tax	193,256	70,104	36.3%	615,312	318.4%
Real property transfer tax	150,000	221,150	147.4%	171,530	114.4%
Oil severance tax	7,500	1,125	15.0%	2,136	28.5%
TOTAL TAXES	<b>22,186,407</b>	<b>22,108,159</b>	<b>99.6%</b>	<b>22,505,188</b>	<b>104.0%</b>
<b><u>LICENSES AND PERMITS</u></b>					
Construction permits/other license fee/permits	489,751	458,186	93.6%	670,754	126.2%
TOTAL LICENSES/ FEES	<b>489,751</b>	<b>458,186</b>	<b>93.6%</b>	<b>670,754</b>	<b>126.2%</b>
<b><u>FINES AND FORFEITURES</u></b>					
General court fines	57,253	55,365	96.7%	52,592	163.1%
Traffic fines/parking citations	279,768	323,746	115.7%	370,267	140.9%
TOTAL FINES/FORFEITURES	<b>337,021</b>	<b>379,111</b>	<b>112.5%</b>	<b>422,859</b>	<b>143.3%</b>
<b><u>REV-USE OF MONEY/PROPERTY</u></b>					
Investment earnings	312,900	1,025,785	327.8%	536,835	135.4%
Rents, royalties and leases	218,949	132,391	60.5%	121,884	57.3%
TOTAL USE OF MONEY/PROPERTY	<b>531,849</b>	<b>1,158,177</b>	<b>217.8%</b>	<b>658,719</b>	<b>108.1%</b>
<b><u>REVENUES FR OTHER AGENCIES</u></b>					
State motor vehicle licenses	189,907	204,235	107.5%	405,995	162.4%
State homeowners' property tax	62,503	-	0.0%	-	0.0%
Other State revenues	-	16,618	0.0%	94,369	0.0%
TOTAL OTHER AGENCIES	<b>252,410</b>	<b>220,854</b>	<b>87.5%</b>	<b>500,364</b>	<b>160.1%</b>
<b><u>CHARGES FOR CURRENT SERVICES</u></b>					
Construction related fees	405,271	461,957	114.0%	461,609	117.3%
Engineering fees	29,441	40,791	138.6%	79,090	276.7%
Passport Fees	2,503	4,928	196.9%	3,388	54.2%
Police department services	233,327	199,302	85.4%	220,509	116.5%
Daily Jail Rental	6,253	16,416	262.5%	7,695	61.6%
Fire related fees	92,351	28,671	31.0%	17,517	6.0%
Contributions-Enterprises	637,509	647,025	101.5%	549,552	86.2%
Other charges	33,317	92,229	276.8%	90,924	460.3%
Library fines and fees	45,271	44,851	99.1%	36,395	70.7%
TOTAL CURRENT SERVICE CHARGES	<b>1,485,243</b>	<b>1,536,169</b>	<b>103.4%</b>	<b>1,466,678</b>	<b>89.8%</b>
<b><u>OTHER REVENUES</u></b>					
Other revenues	76,298	164,151	215.1%	907,549	1152.0%
Operating transfers in	2,331,019	3,188,512	136.8%	2,387,132	124.6%
TOTAL OTHER REVENUES	<b>2,407,317</b>	<b>3,352,663</b>	<b>139.3%</b>	<b>3,294,681</b>	<b>165.2%</b>
<b>Total General Fund Revenues</b>	<b>\$27,689,998</b>	<b>\$29,213,318</b>	<b>105.5%</b>	<b>\$29,519,242</b>	<b>109.2%</b>

## Schedule B

### EXPENDITURES SUMMARY BY FUND - BUDGET TO ACTUAL-ALL FUNDS WITH ANNUALLY ADOPTED BUDGETS FOR FIRST QUARTER ENDED, SEPTEMBER 30, 2007 - 25.2% EXPIRED

	FY 07-08			FY 06-07	
	REVISED BUDGET	EXPEND WITHOUT ENCUMBR	% OF BUDGET TO ACTUAL W/O ENC	EXPEND WITHOUT ENCUMBR	% OF BUDGET TO ACTUAL W/O ENC
<b>GENERAL FUND</b>					
<b>BY DEPARTMENT:</b>					
Council/Commissions	\$ 613,421	\$ 137,749	22.5%	\$ 120,683	21.4%
City Manager	2,682,342	545,191	20.3%	381,654	16.3%
City Attorney	2,649,064	610,241	23.0%	481,561	19.1%
City Clerk	898,771	153,648	17.1%	127,467	17.9%
City Treasurer	827,170	177,062	21.4%	137,684	18.8%
Finance	5,228,344	1,165,645	22.3%	917,096	18.2%
Human Resources	2,490,747	614,504	24.7%	388,555	15.2%
Civil Service	362,360	82,097	22.7%	67,506	19.1%
Community Development	8,135,495	1,885,528	23.2%	1,425,081	18.2%
Comm & Info Tech	4,385,425	845,293	19.3%	745,033	18.3%
General Services	5,083,580	1,125,681	22.1%	785,824	16.4%
Police	58,805,345	13,994,364	23.8%	10,687,560	19.3%
Fire	25,703,004	6,597,397	25.7%	4,942,019	19.7%
Public Works	11,717,577	2,146,117	18.3%	1,811,539	17.5%
Community Services	13,941,556	3,553,640	25.5%	2,798,414	20.9%
<b>Non-Departmental (1001 only):</b>					
Insurance	22,528	2,472	11.0%	1,244	4.4%
Hazardous Waste	79,915	21,452	26.8%	17,377	22.2%
Community Promotion	374,679	92,408	24.7%	131,294	38.5%
Non-Departmental	5,031,948	347,617	6.9%	47,279	0.8%
Leaseback	2,857,725	(76,797)	102.7%	(96,767)	103.4%
Community Improvements	156,650	2,000	1.3%	2,000	1.3%
Transfers	15,105,521	3,788,278	25.1%	2,990,183	29.0%
HEOP ET	25,000	-	N/A	-	N/A
<b>Total General Fund</b>	<b>167,178,167</b>	<b>37,811,587</b>	<b>22.6%</b>	<b>28,910,286</b>	<b>18.6%</b>
<b>Fleet Svcs - Oper &amp; Maint</b>	<b>4,053,189</b>	<b>879,700</b>	<b>21.7%</b>	<b>678,107</b>	<b>19.7%</b>
<b>Fleet Svcs - Replacement</b>	<b>1,880,500</b>	<b>508,361</b>	<b>27.0%</b>	<b>286,375</b>	<b>15.2%</b>
<b>Self-Insurance</b>	<b>3,885,781</b>	<b>1,559,026</b>	<b>40.1%</b>	<b>1,078,374</b>	<b>27.3%</b>
<b>Total Internal Service</b>	<b>9,819,470</b>	<b>2,947,087</b>	<b>30.0%</b>	<b>2,042,856</b>	<b>22.0%</b>
<b>Airport</b>	<b>11,830,869</b>	<b>3,874,593</b>	<b>32.7%</b>	<b>1,823,388</b>	<b>20.6%</b>
<b>Transit</b>	<b>21,789,594</b>	<b>4,865,541</b>	<b>22.3%</b>	<b>3,982,652</b>	<b>18.3%</b>
<b>Water</b>	<b>24,578,429</b>	<b>5,441,331</b>	<b>22.1%</b>	<b>3,667,003</b>	<b>16.9%</b>
<b>Emergency Medical Services</b>	<b>8,673,330</b>	<b>1,877,118</b>	<b>21.6%</b>	<b>1,643,606</b>	<b>20.1%</b>
<b>Sanitation</b>	<b>10,908,898</b>	<b>2,557,095</b>	<b>23.4%</b>	<b>1,970,944</b>	<b>18.9%</b>
<b>Cultural Arts</b>	<b>1,967,669</b>	<b>510,065</b>	<b>25.9%</b>	<b>404,110</b>	<b>21.4%</b>
<b>Sewer</b>	<b>2,531,010</b>	<b>935,362</b>	<b>37.0%</b>	<b>257,202</b>	<b>13.2%</b>
<b>Parks &amp; Recreation</b>	<b>7,794,684</b>	<b>2,135,052</b>	<b>27.4%</b>	<b>1,705,113</b>	<b>22.7%</b>
<b>Total Enterprise</b>	<b>90,074,483</b>	<b>22,196,157</b>	<b>24.6%</b>	<b>15,454,018</b>	<b>18.8%</b>
<b>Employment &amp; Training (WIN)</b>	<b>-</b>	<b>24,668</b>	<b>N/A</b>	<b>543,033</b>	<b>14.0%</b>
<b>Home Improv Empl. Program</b>	<b>(673)</b>	<b>-</b>	<b>N/A</b>	<b>51,418</b>	<b>N/A</b>
<b>Section 8 Rental Assistance</b>	<b>5,043,973</b>	<b>1,287,806</b>	<b>25.5%</b>	<b>1,228,992</b>	<b>22.0%</b>
<b>Rehab Loan Program (HCD)</b>	<b>3,700</b>	<b>-</b>	<b>N/A</b>	<b>-</b>	<b>N/A</b>
<b>Redevelopment Agency</b>	<b>12,971,033</b>	<b>3,603,026</b>	<b>27.8%</b>	<b>2,753,111</b>	<b>24.8%</b>
<b>Cable &amp; Comm Relations</b>	<b>1,460,112</b>	<b>504,503</b>	<b>34.6%</b>	<b>219,392</b>	<b>19.5%</b>
<b>Cable TV Public Access</b>	<b>334,633</b>	<b>81,619</b>	<b>24.4%</b>	<b>60,951</b>	<b>18.7%</b>
<b>Air Quality Mgmt. District</b>	<b>189,124</b>	<b>37,409</b>	<b>19.8%</b>	<b>27,813</b>	<b>14.7%</b>
<b>Animal Control Fund</b>	<b>349,974</b>	<b>55,748</b>	<b>15.9%</b>	<b>59,181</b>	<b>52.7%</b>
<b>Vanpool/Rideshare</b>	<b>240,343</b>	<b>37,044</b>	<b>15.4%</b>	<b>34,054</b>	<b>19.3%</b>
<b>Gas Tax (Transfers only)</b>	<b>3,430,000</b>	<b>2,801,630</b>	<b>81.7%</b>	<b>179,760</b>	<b>16.8%</b>
<b>Street Lighting District</b>	<b>2,809,312</b>	<b>428,874</b>	<b>15.3%</b>	<b>382,744</b>	<b>14.6%</b>
<b>Torrance Pub Fin Auth Debt Svc</b>	<b>3,312,164</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>N/A</b>
<b>Total External Funds</b>	<b>30,143,695</b>	<b>8,862,327</b>	<b>29.4%</b>	<b>5,540,449</b>	<b>18.7%</b>
<b>Grand Total</b>	<b>\$ 297,215,815</b>	<b>\$ 71,817,158</b>	<b>24.2%</b>	<b>\$ 51,947,609</b>	<b>18.8%</b>

## Schedule B-1

**EXPENDITURES DETAIL BY FUND - BUDGET TO ACTUAL-ALL FUNDS WITH ANNUALLY ADOPTED BUDGETS  
SALARIES AND BENEFITS EXPENDITURES  
FOR FIRST QUARTER ENDED, SEPTEMBER 30, 2007 - 25.2% EXPIRED**

	FY 07-08			FY 06-07	
	SALARIES AND BENEFITS BUDGET	SALARIES AND BENEFITS ACTUAL	% OF BUDGET TO ACTUAL	SALARIES & BENEFITS ACTUAL	% OF BUDGET TO ACTUAL
<b>GENERAL FUND</b>					
<b>BY DEPARTMENT:</b>					
Council/Commissions	\$ 230,100	\$ 42,622 (A)	18.5%	\$ 36,594	16.7%
City Manager	1,814,205	454,063	25.0%	319,490	18.8%
City Attorney	2,190,924	535,519	24.4%	429,455	20.7%
City Clerk	543,944	134,744	24.8%	108,946	21.5%
City Treasurer	670,263	153,031	22.8%	125,556	21.6%
Finance	3,439,269	761,703	22.1%	638,020	19.3%
Human Resources	1,689,964	473,633	28.0%	302,488	18.8%
Civil Service	239,318	54,460	22.8%	49,138	18.7%
Community Development	6,692,762	1,641,521	24.5%	1,234,345	19.1%
Comm & Info Tech	3,491,510	733,846	21.0%	613,140	18.4%
General Services	3,222,681	803,204	24.9%	563,885	18.9%
Police	53,553,219	12,909,373	24.1%	9,917,746	19.7%
Fire	23,511,970	6,197,288	26.4%	4,615,073	20.0%
Public Works	7,109,108	1,453,739	20.4%	1,225,409	17.9%
Community Services	9,955,170	2,487,488	25.0%	2,027,249	20.9%
Non-Departmental (1001 only):					
Hazardous Waste	19,660	3,422 (B)	17.4%	2,966	15.6%
Non-Departmental	3,531,720	26,996 (B)	0.8%	38,839	0.8%
Community Improvements	10,000	-	N/A	-	N/A
HEOP ET	15,000	-	N/A	-	N/A
<b>Total General Fund</b>	<b>121,930,787</b>	<b>28,866,652</b>	<b>23.7%</b>	<b>22,248,339</b>	<b>18.9%</b>
Fleet Svcs - Oper & Maint	2,935,681	726,663	24.8%	557,997	20.0%
Self-Insurance	723,600	160,933	22.2%	124,093	19.4%
<b>Total Internal Service</b>	<b>3,659,281</b>	<b>887,596</b>	<b>24.3%</b>	<b>682,090</b>	<b>19.9%</b>
Airport	1,583,481	376,252	23.8%	308,474	20.8%
Transit	12,515,445	2,800,231	22.4%	2,271,173	18.6%
Water	4,537,984	958,780	21.1%	479,648	11.0%
Emergency Medical Services	8,298,677	1,787,960	21.5%	1,595,348	20.5%
Sanitation	4,109,508	960,644	23.4%	800,153	19.5%
Cultural Arts	1,383,052	338,351	24.5%	261,159	19.8%
Sewer	634,363	126,524 (C)	19.9%	81,524	13.8%
Parks & Recreation	4,821,267	1,285,546	26.7%	1,066,650	22.9%
<b>Total Enterprise</b>	<b>37,883,777</b>	<b>8,634,288</b>	<b>22.8%</b>	<b>6,864,129</b>	<b>18.8%</b>
Employment & Training (WIN)	-	2,355	N/A	450,658	15.8%
Home Improv Empl. Program	-	-	N/A	50,187	N/A
Section 8 Rental Assistance	396,500	104,446	26.3%	122,334	20.3%
Rehab Loan Program (HCD)	3,500	-	N/A	-	N/A
Redevelopment Agency	256,150	47,207 (D)	18.4%	27,360	5.7%
Cable & Comm Relations	846,422	173,995	20.6%	148,219	19.7%
Cable TV Public Access	229,311	67,391	29.4%	49,065	21.4%
Air Quality Mgmt. District	41,904	11,954	28.5%	8,229	19.6%
Animal Control Fund	237,500	38,954 (E)	16.4%	45,035	19.5%
Vanpool/Rideshare	63,765	16,842	26.4%	14,647	25.5%
Street Lighting District	549,750	123,567	22.5%	110,841	20.7%
<b>Total External Funds</b>	<b>2,624,802</b>	<b>586,711</b>	<b>22.4%</b>	<b>1,026,575</b>	<b>17.8%</b>
<b>Grand Total</b>	<b>\$ 166,098,647</b>	<b>\$ 38,975,247</b>	<b>23.5%</b>	<b>\$ 30,821,133</b>	<b>18.8%</b>

- (A) The auto allowance budget has not been spent.  
 (B) Charges from other departments will be posted in future months.  
 (C) Charges from other departments are lower than budget due to vacancies including Deputy Public Works Director.  
 (D) Downtown and Low Moderate Housing redevelopment capital project funds are under budget due to unposted meeting allowances and a decrease in HIP labor charges respectively.  
 (E) There has been a vacancy for an Animal Control Supervisor since July 2007.

**EXPENDITURES DETAIL BY FUND - BUDGET TO ACTUAL-ALL FUNDS WITH ANNUALLY ADOPTED BUDGETS**  
**MATERIALS, SERVICES AND OTHER EXPENDITURES** **Schedule B-2**  
**FOR FIRST QUARTER ENDED, SEPTEMBER 30, 2007 - 25.2% EXPIRED**

	FY 07-08					FY 06-07	
	MATERIALS, SERVICES, OTHERS REVISED BUDGET	ACTUAL EXP WITHOUT ENC	ACTUAL REIMB	ACTUAL EXPENSE NET OF REIMB	% OF BUD W/O ENC	ACTUAL EXPENSE WITHOUT ENC	% OF BUD W/O ENC
<b>GENERAL FUND</b>							
<b>BY DEPARTMENT:</b>							
Council/Commissions	\$ 383,321	\$ 95,127	\$ -	\$ 95,127	24.8%	\$ 84,089	24.4%
City Manager	868,137	91,128	-	91,128 (A)	10.5%	62,164	9.6%
City Attorney	458,140	74,722	-	74,722 (B)	16.3%	52,106	11.6%
City Clerk	354,827	18,904	-	18,904 (C)	5.3%	18,521	9.0%
City Treasurer	156,907	24,031	-	24,031 (D)	15.3%	12,128	8.1%
Finance	1,789,075	501,153	(97,211)	403,942	22.6%	279,076	16.1%
Human Resources	800,783	140,871	-	140,871 (E)	17.6%	86,067	9.1%
Civil Service	123,042	27,637	-	27,637	22.5%	18,368	20.3%
Community Development	1,442,733	244,007	-	244,007 (F)	16.9%	190,736	13.7%
Comm & Info Tech	893,915	378,359	(266,912)	111,447 (F)	12.5%	131,893	17.7%
General Services	1,860,899	529,947	(207,470)	322,477 (F)	17.3%	221,939	12.2%
Police	5,252,126	1,084,991	-	1,084,991	20.7%	769,814	15.8%
Fire	2,191,034	457,968	(57,859)	400,109 (F)	18.3%	326,946	16.2%
Public Works	4,608,469	824,641	(132,263)	692,378 (G)	15.0%	586,130	16.7%
Community Services	3,986,386	1,066,197	(45)	1,066,152	26.7%	771,165	20.9%
<b>Non-Departmental (1001 only):</b>							
Insurance	22,528	2,472	-	2,472 (H)	11.0%	1,244	4.4%
Hazardous Waste	60,255	30,627	(12,597)	18,030	29.9%	14,411	24.3%
Community Promotion	374,679	92,408	-	92,408	24.7%	131,294	38.5%
Non-Departmental	1,500,228	320,621	-	320,621	21.4%	8,440	0.6%
Leaseback	2,857,725	(76,797)	-	(76,797) (I)	102.7%	(96,767)	103.4%
Community Improvements	146,650	2,000	-	2,000 (J)	1.4%	2,000	1.4%
Transfers	15,105,521	3,788,278	-	3,788,278	25.1%	2,990,183	29.0%
HEOP ET	10,000	-	-	-	N/A	-	N/A
<b>Total General Fund</b>	<b>45,247,380</b>	<b>9,719,292</b>	<b>(774,357)</b>	<b>8,944,935</b>	<b>19.8%</b>	<b>6,661,947</b>	<b>17.7%</b>
<b>Internal Service</b>							
Fleet Svcs - Oper & Maint	1,117,508	153,037	-	153,037 (K)	13.7%	120,110	18.6%
Fleet Svcs - Replacement	1,880,500	508,361	-	508,361	27.0%	286,375	15.2%
Self Insurance	3,162,181	1,398,093	-	1,398,093 (L)	44.2%	954,281	28.8%
<b>Total Internal Service</b>	<b>6,160,189</b>	<b>2,059,491</b>	<b>-</b>	<b>2,059,491</b>	<b>33.4%</b>	<b>1,360,766</b>	<b>23.3%</b>
<b>Enterprise &amp; CATV</b>							
Airport	10,247,388	3,498,341	-	3,498,341 (M)	34.1%	1,514,914	20.6%
Transit	9,274,149	2,065,310	-	2,065,310	22.3%	1,711,479	17.9%
Water	20,040,445	4,483,172	(621)	4,482,551	22.4%	3,187,355	18.4%
Emergency Medical Svc	374,653	89,158	-	89,158	23.8%	48,258	12.4%
Sanitation	6,799,390	1,596,451	-	1,596,451	23.5%	1,170,791	18.5%
Cultural Arts	584,617	171,714	-	171,714	29.4%	142,951	25.1%
Sewer	1,896,647	808,838	-	808,838 (N)	42.6%	175,678	12.9%
Parks & Recreation	2,973,417	849,506	-	849,506	28.6%	638,463	22.4%
<b>Total Enterprise &amp; CATV</b>	<b>52,190,706</b>	<b>13,562,490</b>	<b>(621)</b>	<b>13,561,869</b>	<b>26.0%</b>	<b>8,589,889</b>	<b>18.8%</b>
<b>External Funds</b>							
Employment & Training (WIN)	-	22,313	-	22,313	N/A	92,375	9.0%
Home Improv Empl. Program	(673)	-	-	-	N/A	1,231	N/A
Section 8 Rental Assistance	4,647,473	1,183,360	-	1,183,360	25.5%	1,106,658	22.2%
Rehab Loan Program (HCD)	200	-	-	-	N/A	-	N/A
Redevelopment Agency	12,714,883	3,555,819	-	3,555,819	28.0%	2,725,751	25.6%
Cable & Comm Relations	613,690	336,102	(5,594)	330,508 (N)	53.9%	71,173	19.1%
Cable TV Public Access	105,322	14,228	-	14,228 (F)	13.5%	11,886	12.3%
Air Quality Mgmt. District	147,220	25,455	-	25,455 (O)	17.3%	19,584	13.3%
Animal Control Fund	112,474	16,794	-	16,794 (F)	14.9%	14,146	12.6%
Vanpool/Rideshare	176,578	20,202	-	20,202 (F)	11.4%	19,407	11.0%
Gas Tax (Transfers only)	3,430,000	2,801,630	-	2,801,630	81.7%	179,760	21.4%
Street Lighting District	2,259,562	305,307	-	305,307 (P)	13.5%	271,903	13.0%
Torrance Pub Fin Auth Debt Svc	3,312,164	-	-	-	0.0%	-	0.0%
<b>Total External Funds</b>	<b>27,518,893</b>	<b>8,281,210</b>	<b>(5,594)</b>	<b>8,275,616</b>	<b>30.1%</b>	<b>4,513,874</b>	<b>19.0%</b>
<b>Grand Total</b>	<b>\$131,117,168</b>	<b>\$33,622,483</b>	<b>(\$780,573)</b>	<b>\$32,841,911</b>	<b>25.0%</b>	<b>\$21,126,476</b>	<b>18.7%</b>

FOOTNOTES FOR BUDGET TO ACTUAL VARIANCES CAN BE FOUND ON THE NEXT PAGE.

## Schedule B-2 Continued

### **MATERIALS, SERVICES AND OTHER EXPENDITURES FOOTNOTES FOR BUDGET TO ACTUAL VARIANCES**

- (A) Postage budget for the mailing of the Torrance Seasons are spent as needed. Also, the economic development assistance budget has not been spent.
- (B) Invoices for legal fees and services are usually received several months after services are rendered.
- (C) Professional Services budget has not been used as of the first quarter.
- (D) Budget includes memo encumbrance of \$7,000 for PC replacement.
- (E) Budget has been encumbered for medical services and supplies but invoices for services are slow to present.
- (F) The budget for materials and professional services has not been fully utilized due to timing of expenditures.
- (G) Materials and Professional Services are encumbered using an additional 23% of budget for various road repair and construction materials used as needed.
- (H) Expenditures for Sheakley Uniservice include only one month of payments as of the first quarter.
- (I) Leaseback transfers received from the Airport Fund are credited each month. Debt service payments aren't due until Nov. and May.
- (J) Only one month expense for shopping cart pickups throughout the City are posted as of the first quarter.
- (K) Professional Services budget includes \$403,200 for the purchase of diesel particulate filters approved by Council on 9/11/07.
- (L) Expenditures include payment of annual liability insurance and excess liability premiums.
- (M) Amount includes payments for the Zamperini Field airport layout plan and the annual insurance premium.
- (N) Expenditures include one time transfers to related capital project funds approved by Council. Only operating fund activity is shown here.
- (O) Redemption of points for the incentive program are low for the quarter.
- (P) Materials and Supplies are a 100% reimbursement to the General Fund Public Works Street Light and Signals program. Current materials charges are only 9.2% of budget.

**Schedule B-3**

**EXPENDITURES SUMMARY - BUDGET TO ACTUAL - GENERAL FUND (1001) BY CHARACTER  
FOR FIRST QUARTER ENDED, SEPTEMBER 30, 2007 - 25.2% EXPIRED**

	2007-08 BUDGET	EXPENDITURES WITHOUT ENCUMBRANCES	% OF BUDGET TO ACTUAL WITHOUT ENC.	ENCUMB.	% OF BUDGET TO ACTUAL WITH ENC.
Salaries and Benefits	\$ 149,061,150	\$ 31,127,949	20.9%	\$ -	20.9%
Salaries and Benefits Reimb	(27,130,363)	(2,261,297)	8.3%	-	8.3%
Materials and Supplies	12,384,838	1,707,999	13.8%	2,262,195	32.1%
Prof Services/Contracts/Utilities	8,303,402	890,505	10.7%	1,330,515	26.7%
Travel, Training & Membership Dues	1,089,610	144,746	13.3%	124,377	24.7%
Liabilities and Other Insurance	1,751,434	265,257	15.1%	-	15.1%
Interdepartmental Charges	3,289,185	828,988	25.2%	-	25.2%
Debt Service	2,921,351	(50,187)	101.7%	-	101.7%
Capital Acquisition	448,754	69,061	15.4%	60,894	29.0%
Reimb from Other Funds	(3,391,112)	(774,358)	22.8%	-	22.8%
Other Expenditures	121,240	14,203	11.7%	-	11.7%
Reimb - Indirect Costs	(3,928,799)	(891,564)	22.7%	-	22.7%
Operating Transfers Out	21,257,477	6,488,285	30.5%	-	30.5%
Advances to Other Funds	1,000,000	252,000	25.2%	-	25.2%
<b>Total General Fund - 1001</b>	<b>\$ 167,178,167</b>	<b>\$ 37,811,587</b>	<b>22.6%</b>	<b>\$ 3,777,981</b>	<b>24.9%</b>

**ADOPTED BUDGET AND AMENDMENTS BY FUND**  
**FOR FIRST QUARTER ENDED, SEPTEMBER 30, 2007 - 25.2% EXPIRED**

**Schedule B-4**

	ADOPTED BUDGET FY 07-08	PRIOR YEAR ENCUMBRANCE BUDGET	BUDGET AMENDMENTS FY 07-08	AMENDED BUDGET FY 07-08
<b>GENERAL FUND BUDGET</b>				
<b>BY DEPARTMENT:</b>				
Council/Commissions	\$ 589,871	\$ -	\$ 23,550	\$ 613,421
City Manager	2,524,966	41,658	115,718	2,682,342
City Attorney	2,649,064	-	-	2,649,064
City Clerk	883,615	-	15,156	898,771
City Treasurer	819,633	-	7,537	827,170
Finance	5,192,747	13,875	21,722	5,228,344
Human Resources	2,473,441	45,151	(27,845)	2,490,747
Civil Service	360,846	-	1,514	362,360
Community Development	7,810,756	-	324,739 (A)	8,135,495
Comm & Info Tech	4,345,400	65,211	(25,186)	4,385,425
General Services	5,019,751	11,745	52,084	5,083,580
Police	58,545,218	1,261	258,866 (B)	58,805,345
Fire	25,486,288	2,000	214,716	25,703,004
Public Works	11,393,391	109,630	214,556 (C)	11,717,577
Community Services	13,863,382	30,641	47,533	13,941,556
<b>Non-Departmental (1001 only):</b>				
Insurance	25,000	6,064	(8,536)	22,528
Hazardous Waste	76,597	-	3,318	79,915
Community Promotion	373,122	-	1,557	374,679
Non-Departmental	4,963,473	-	68,475	5,031,948
Leaseback	2,857,725	-	-	2,857,725
Community Improvements	140,000	14,000	2,650	156,650
Transfers	15,105,521	-	-	15,105,521
HEOP ET	25,000	-	-	25,000
<b>Total General Fund</b>	<b>165,524,807</b>	<b>341,236</b>	<b>1,312,124</b>	<b>167,178,167</b>
<b>Internal Service</b>				
Fleet Services	5,464,963	-	468,726 (D)	5,933,689
Self-Insurance	3,884,222	53,393	(51,834)	3,885,781
<b>Total Internal Service</b>	<b>9,349,185</b>	<b>53,393</b>	<b>416,892</b>	<b>9,819,470</b>
<b>Enterprise</b>				
Airport	10,812,587	-	1,018,282 (E)	11,830,869
Transit	21,773,691	70,038	(54,135)	21,789,594
Water	23,505,401	69,085	1,003,943 (F)	24,578,429
Emergency Medical Svcs	8,669,208	6,394	(2,272)	8,673,330
Sanitation	10,602,102	199,398	107,398	10,908,898
Cultural Arts	1,964,554	-	3,115	1,967,669
Sewer	2,006,043	-	524,967 (G)	2,531,010
Parks & Recreation	7,691,373	8,627	94,684	7,794,684
<b>Total Enterprise</b>	<b>87,024,959</b>	<b>347,148</b>	<b>2,695,982</b>	<b>90,074,483</b>
<b>External Funds</b>				
Employment & Training (WIN)	-	-	-	-
Home Improv Empl. Program	-	-	(673)	(673)
Section 8 Rental Assistance	5,042,950	-	1,023	5,043,973
Rehab Loan Program (HCD)	3,700	-	-	3,700
Redevelopment Agency	12,731,167	-	239,866	12,971,033
Cable & Comm. Relations	1,240,804	-	219,308	1,460,112
Cable TV Public Access	333,419	-	1,214	334,633
Air Quality Mgmt. District	189,124	-	-	189,124
Animal Control Fund	349,709	28,062	(27,797)	349,974
Vanpool/Rideshare	228,125	-	12,218	240,343
Gas Tax (Transfers only)	2,732,800	-	697,200	3,430,000
Street Lighting District	2,592,975	13,267	203,070	2,809,312
Torrance Pub Fin Auth Debt Svc	3,312,164	-	-	3,312,164
<b>Total External Funds</b>	<b>28,756,937</b>	<b>41,329</b>	<b>1,345,429</b>	<b>30,143,695</b>
<b>Grand Total</b>	<b>\$ 290,655,888</b>	<b>\$ 783,106</b>	<b>\$ 5,770,427</b>	<b>\$ 297,215,815</b>

Notes below explain the major budget revisions in excess of \$250,000

- (A) Represents a \$95,000 transfer to FEAP 366 - Comprehensive Plan Update and memo encumbrances for traffic calming, environmental impact consultant, aerial photography and archiving of construction drawings.
- (B) Includes a memo encumbrance of \$134,548 per Council Item 8G 4/24/07.
- (C) Represents PO balances rolled from FY06/07 for construction materials from Sully Miller and Associated Ready-Mix.
- (D) Represents Professional Services budget for the purchase of 29 diesel particulate filters approved by Council on 9/11/07 Item 8J.
- (E) Includes a \$900,000 transfer out to the Airport Capital Projects Fund approved by Council 5/22/07 Item 12B.
- (F) Represents \$570,000 appropriation for capital projects per Council Item 12B 5/22/07 and \$400,000 appropriation for Vault upgrades to comply with Calif. Code of Regulations per Council Item 8I 7/17/07.
- (G) Represents \$500,000 appropriation for capital projects per Council Item 12B 5/22/07.



## Schedule C

### INTERNAL SERVICE & ENTERPRISE FUND REVENUE SUMMARY-BUDGET TO ACTUAL FOR FIRST QUARTER ENDED, SEPTEMBER 30, 2007 - 25.2% EXPIRED

	FY 07-08						FY 06-07	
	Budget	Budgeted Use of Fund Bal	Add Back Depr	Total Budget	Year-To-Date Actual	% of Budget to Actual	Year-To-Date Actual	% of Budget to Actual
Fleet Svcs - Oper & Maint	\$ 3,866,219	\$ 186,970	\$ -	\$ 4,053,189	\$ 1,201,829	29.7%	\$ 678,107	19.1%
Fleet Svcs - Replacement	2,684,992	-	1,880,500	4,565,492	1,292,253	28.3%	818,842	17.9%
Self-Insurance	3,722,688	-	-	3,722,688	945,790	25.4%	769,142	21.8%
<b>Total Internal Service</b>	<b>10,273,899</b>	<b>186,970</b>	<b>1,880,500</b>	<b>12,341,369</b>	<b>3,439,872</b>	<b>27.9%</b>	<b>2,266,091</b>	<b>19.5%</b>
Airport	10,802,000	-	300,305	11,102,305	2,497,285	22.5%	3,473,346	31.4%
Transit	18,806,421	835,173	2,148,000	21,789,594	3,055,401	14.0%	1,938,929	8.9%
Water	23,485,300	-	1,243,800	24,729,100	8,167,088	33.0%	3,611,156	15.5%
Emergency Medical Svcs	8,669,208	4,122	7,000	8,680,330	1,877,117	21.6%	1,645,065	20.2%
Sanitation	10,111,000	797,898	25,180	10,934,078	2,757,871	25.2%	2,123,493	20.3%
Cultural Arts	1,919,275	48,395	9,000	1,976,670	512,333	25.9%	405,955	21.5%
Sewer	2,084,500	-	1,005,000	3,089,500	811,877	26.3%	436,620	14.1%
Parks & Recreation	7,620,787	-	-	7,620,787	2,211,262	29.0%	2,236,785	31.0%
<b>Total Enterprise</b>	<b>\$ 83,498,491</b>	<b>\$ 1,685,588</b>	<b>\$ 4,738,285</b>	<b>\$ 89,922,364</b>	<b>\$ 21,890,234</b>	<b>24.3%</b>	<b>\$ 15,871,349</b>	<b>18.3%</b>

NOTE: BUDGET TO ACTUAL VARIANCES CAN BE FOUND ON SUBSEQUENT FINANCIAL STATEMENTS.

**FLEET SERVICES - COMBINED****BALANCE SHEET**  
**September 30, 2007**

	<b>Operations and Maintenance September 30, 2007</b>	<b>Vehicle Replacement September 30, 2007</b>	<b>Total</b>
<b>ASSETS</b>			
Pooled cash and investments	\$ 265,661	\$ 11,755,963	\$ 12,021,624
Accrued interest receivable	-	147,239	147,239
Inventories	760,634	-	760,634
<b>Total Current Assets</b>	<b>1,026,295</b>	<b>11,903,202</b>	<b>12,929,497</b>
Property, plant and equipment, net	9,603	5,564,141	5,573,744
<b>Total Assets</b>	<b>\$ 1,035,898</b>	<b>\$ 17,467,343</b>	<b>\$ 18,503,241</b>
<b>LIABILITIES AND FUND EQUITY</b>			
<b>Current Liabilities</b>			
Accounts payable	\$ 31,769	\$ -	\$ 31,769
Accrued salaries and benefits	369,016	-	369,016
<b>Total Liabilities</b>	<b>400,785</b>	<b>-</b>	<b>400,785</b>
<b>Fund Equity</b>			
Retained earnings - reserved	-	17,467,343	17,467,343
Retained earnings - unreserved	635,113	-	635,113
<b>Total Liabilities and Fund Equity</b>	<b>\$ 1,035,898</b>	<b>\$ 17,467,343</b>	<b>\$ 18,503,241</b>

## Schedule D-1

### FLEET SERVICES - COMBINED FUNDS

#### STATEMENT OF REVENUES AND EXPENSES-BUDGET TO ACTUAL FOR FIRST QUARTER ENDED SEPTEMBER 30, 2007 - 25.2% EXPIRED

	Annual Budget	Year-To-Date Actual Without Enc.	Budget % Without Enc.	2007 Year-To-Date Actual Without Enc.	2007 Budget % Without Enc.
<b>OPERATING REVENUES</b>					
Charges for services	\$ 5,317,547	\$ 1,443,177	27.1%	\$ 947,796	18.6%
<b>Total Operating Revenues</b>	<b>5,317,547</b>	<b>1,443,177</b>	<b>27.1%</b>	<b>947,796</b>	<b>18.6%</b>
<b>OPERATING EXPENSES:</b>					
Salaries and employee benefits	2,935,681	726,663	24.8%	557,997	22.3%
Materials and supplies	440,075	87,615	19.9%	64,374	4.2%
Other Professional Services	511,636	29,089 (A)	5.7%	27,570	181.3%
Depreciation	1,880,500	508,361	27.0%	286,375	15.2%
Interdepartmental charges	112,586	28,372	25.2%	22,257	9.8%
Liability and claims	23,943	1,904	8.0%	1,616	24.1%
Other	8,900	924	10.4%	783	8.8%
<b>Total Operating Expenses</b>	<b>5,913,321</b>	<b>1,382,928</b>	<b>23.4%</b>	<b>960,972</b>	<b>17.6%</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(595,774)</b>	<b>60,249</b>	<b>-10.1%</b>	<b>(13,176)</b>	<b>3.7%</b>
<b>NON-OPERATING REVENUES</b>					
Interest income - Operations	200,000	139,344 (B)	69.7%	82,020	82.0%
Gain from sale of fixed assets	80,464	-	0.0%	-	N/A
<b>Total Non-Operating Revenues</b>	<b>280,464</b>	<b>139,344</b>	<b>49.7%</b>	<b>82,020</b>	<b>45.4%</b>
<b>Income (Loss) before transfers</b>	<b>(315,310)</b>	<b>199,593</b>	<b>-63.3%</b>	<b>68,844</b>	<b>139.3%</b>
<b>OPERATING TRANSFERS IN</b>	<b>953,200</b>	<b>403,200 (C)</b>	<b>42.3%</b>	<b>117,700</b>	<b>46.6%</b>
<b>OPERATING TRANSFERS OUT</b>	<b>(20,368)</b>	<b>(5,133)</b>	<b>25.2%</b>	<b>(3,510)</b>	<b>191.3%</b>
<b>NET INCOME (LOSS) BEFORE VEHICLE ACQUISITIONS</b>	<b>617,522</b>	<b>597,660</b>	<b>96.8%</b>	<b>183,034</b>	<b>475.1%</b>
<b>VEHICLE ACQUISITIONS</b>	<b>(3,649,358)</b>	<b>(305,945)</b>	<b>8.4%</b>	<b>(113,329)</b>	<b>4.6%</b>
<b>ADD: DEPRECIATION</b>	<b>1,880,500</b>	<b>508,361</b>	<b>27.0%</b>	<b>286,375</b>	<b>15.2%</b>
<b>CHANGE IN CASH AVAILABLE AFTER VEHICLE ACQUISITIONS AND ADDITION OF DEPRECIATION</b>	<b>\$ (1,151,336)</b>	<b>\$ 800,076</b>	<b>-69.5%</b>	<b>\$ 419,138</b>	<b>178.6%</b>
<b>FUEL AND PARTS INVENTORY</b>					
Parts Inventory Purchases	\$ (1,530,975)	\$ (208,649)	13.6%	\$ (77,695)	5.3%
Fuel Inventory Purchases	(1,000,000)	(171,969)	17.2%	(95,623)	9.6%
<b>Total Parts &amp; Fuel Inventory Purchases</b>	<b>\$ (2,530,975)</b>	<b>\$ (380,618)</b>	<b>15.0%</b>	<b>\$ (173,318)</b>	<b>7.0%</b>

(A) Professional Services expenditures for FY 07-08 will include \$403, 200 for the purchase of (29) diesel particulate filters approved by Council on 9/11/07 Item 8J.

(B) Over the past years, fewer vehicles were purchased than budgeted, resulting in a higher than anticipated cash balance.

(C) Transfers In include \$403, 200 from the General Fund Fuel Reserve for the purchase of (29) diesel particulate filters approved by Council on 9/11/07 Item 8J.

***FLEET SERVICES FUND - COMBINED***  
**STATEMENT OF CASH FLOWS**  
**FOR FIRST QUARTER ENDED SEPTEMBER 30, 2007**

<b><i>Cash flows from operating activities</i></b>	
Operating income	\$60,249
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation and amortization	508,361
Decrease in accounts receivable	23,650
Decrease in inventory	147,170
Increase in accounts payable	30,405
(Decrease) in accrued liabilities	<u>(282,591)</u>
<b><i>Net cash provided by operating activities</i></b>	<b>\$487,244</b>
<b><i>Cash flows from capital and related financing activities</i></b>	
Capital expenditures	<u>(305,945)</u>
<b><i>Net cash used by capital and related financing activities</i></b>	<b>(305,945)</b>
<b><i>Cash flows from noncapital financing activities</i></b>	
Operating transfers in	403,200
Operating transfers out	<u>(5,133)</u>
<b><i>Net cash provided by noncapital financing activities</i></b>	<b>398,067</b>
<b><i>Cash flows from investing activities</i></b>	
Interest on investments	<u>139,344</u>
<b><i>Net cash provided by investing activities</i></b>	<b><u>139,344</u></b>
<b><i>Net change in cash</i></b>	<b>718,710</b>
<b>Cash, and cash equivalents, July 1, 2007</b>	<b><u>11,302,914</u></b>
<b>Cash and cash equivalents, September 30, 2007</b>	<b><u><u>\$12,021,624</u></u></b>

# Schedule D-3

## FLEET - OPERATIONS AND MAINTENANCE

### STATEMENT OF REVENUES AND EXPENSES-BUDGET TO ACTUAL FOR FIRST QUARTER ENDED SEPTEMBER 30, 2007 - 25.2% EXPIRED

	Annual Budget	Year-To-Date Actual Without Enc.	Budget % Without Enc.	2007 Year-To-Date Actual Without Enc.	2007 Budget % Without Enc.
<b>OPERATING REVENUES</b>					
Rental Income	\$ 7,020	\$ 1,826	26.0%	\$ 1,488	21.2%
Charges for services	2,905,999	796,803	27.4%	495,861	16.6%
<b>Total Operating Revenues</b>	<b>2,913,019</b>	<b>798,629</b>	<b>27.4%</b>	<b>497,349</b>	<b>16.6%</b>
<b>OPERATING EXPENSES:</b>					
Salaries and employee benefits	2,935,681	726,663	24.8%	557,997	20.0%
Materials and supplies	440,075	87,615	19.9%	64,374	16.1%
Professional Services	511,636	29,089 (A)	5.7%	27,570	29.9%
Interdepartmental charges	112,586	28,372	25.2%	22,257	21.4%
Liability and claims	23,943	1,904	8.0%	1,616	6.7%
Other	8,900	924	10.4%	783	8.8%
<b>Total Operating Expenses</b>	<b>4,032,821</b>	<b>874,567</b>	<b>21.7%</b>	<b>674,597</b>	<b>19.7%</b>
<b>Income (Loss) before transfers</b>	<b>(1,119,802)</b>	<b>(75,938)</b>	<b>6.8%</b>	<b>(177,248)</b>	<b>41.3%</b>
<b>OPERATING TRANSFERS IN</b>	953,200	403,200 (B)	42.3%	117,700	21.4%
<b>OPERATING TRANSFERS OUT</b>	(20,368)	(5,133)	25.2%	(3,510)	21.4%
<b>FROM FUND BALANCE</b>	186,970	-	N/A	63,058	N/A
<b>NET INCOME (LOSS)</b>	<b>\$ -</b>	<b>\$ 322,129</b>	<b>N/A</b>	<b>\$ -</b>	<b>N/A</b>
<b>FUEL AND PARTS INVENTORY</b>					
Parts Inventory Purchases	\$ (1,596,428)	\$ (208,649)	13.1%	\$ (77,695)	5.1%
Fuel Inventory Purchases	(1,000,000)	(171,969)	17.2%	(95,623)	9.6%
<b>Total Parts &amp; Fuel Inventory Purchases</b>	<b>\$ (2,596,428)</b>	<b>\$ (380,618)</b>	<b>14.7%</b>	<b>\$ (173,318)</b>	<b>6.8%</b>

- (A) Professional Services expenditures for FY 07-08 will include \$403, 200 for the purchase of (29) diesel particulate filters approved by Council on 9/11/07 Item 8J.
- (B) Transfers In include \$403, 200 from the General Fund Fuel Reserve for the purchase of (29) diesel particulate filters approved by Council on 9/11/07 Item 8J.

***FLEET - OPERATIONS AND MAINTENANCE***  
**STATEMENT OF CASH FLOWS**  
**FOR FIRST QUARTER ENDED SEPTEMBER 30, 2007**

<b><i>Cash flows from operating activities</i></b>	
Operating loss	(\$75,938)
Adjustments to reconcile operating loss to net cash used by operating activities	
Decrease in inventory	147,170
Increase in accounts payable	30,405
(Decrease) in accrued liabilities	<u>(202,802)</u>
<b><i>Net cash used by operating activities</i></b>	<b>(\$101,165)</b>
<b><i>Cash flows from noncapital financing activities</i></b>	
Operating transfers in	403,200
Operating transfers out	<u>(5,133)</u>
<b><i>Net cash provided by noncapital financing activities</i></b>	<b><u>398,067</u></b>
<b><i>Net change in cash</i></b>	<b>296,902</b>
Cash, and cash equivalents, July 1, 2007	<u>(31,241)</u>
Cash and cash equivalents, September 30, 2007	<u><u>\$265,661</u></u>

Schedule D-5

**FLEET - VEHICLE REPLACEMENT FUND**

**STATEMENT OF REVENUES AND EXPENSES-BUDGET TO ACTUAL  
FOR FIRST QUARTER ENDED SEPTEMBER 30, 2007 - 25.2% EXPIRED**

	<b>Annual Budget</b>	<b>Year-To-date Actual Without Enc.</b>	<b>Budget % Without Enc.</b>	<b>2007 Year-to-date Actual Without Enc.</b>	<b>2007 Budget % Without Enc.</b>
<b>OPERATING REVENUES</b>					
Charges for services	\$ 2,404,528	\$ 644,548	26.8%	\$ 450,447	18.7%
<b>Total Operating Revenues</b>	2,404,528	644,548	26.8%	450,447	18.7%
<b>OPERATING EXPENSES:</b>					
Depreciation	1,880,500	508,361	27.0%	286,375	15.2%
<b>Total Operating Expenses</b>	1,880,500	508,361	27.0%	286,375	15.2%
<b>OPERATING INCOME (LOSS)</b>	524,028	136,187	26.0%	164,072	31.3%
<b>NON-OPERATING REVENUES</b>					
Interest income - Operations	200,000	139,344 (A)	69.7%	82,020	41.0%
Gain from sale of fixed assets	80,464	-	0.0%	-	N/A
<b>Total Non-Operating Revenues</b>	280,464	139,344	49.7%	82,020	29.2%
<b>Income (Loss) before transfers</b>	804,492	275,531	34.2%	246,092	30.6%
<b>NET INCOME (LOSS) BEFORE VEHICLE ACQUISITIONS</b>	804,492	275,531	34.2%	246,092	30.6%
<b>VEHICLE ACQUISITIONS</b>	(3,649,358)	(305,945)	8.4%	(113,329)	5.0%
<b>ADD: DEPRECIATION</b>	1,880,500	508,361	27.0%	286,375	15.2%
<b>CHANGE IN CASH AVAILABLE AFTER VEHICLE ACQUISITIONS AND ADDITION OF DEPRECIATION</b>	\$ (964,366)	\$ 477,947	149.6%	\$ 419,138	103.1%

(A) Over the past years, fewer vehicles were purchased than budgeted, resulting in a higher than anticipated cash balance.

***FLEET - VEHICLE REPLACEMENT FUND***  
**STATEMENT OF CASH FLOWS**  
**FOR FIRST QUARTER ENDED SEPTEMBER 30, 2007**

<b><i>Cash flows from operating activities</i></b>	
Operating income	\$136,187
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation and amortization	508,361
Increase in accounts receivable	23,650
(Decrease) in accrued liabilities	<u>(79,789)</u>
<b><i>Net cash provided by operating activities</i></b>	<b>\$588,409</b>
 <b><i>Cash flows from capital and related financing activities</i></b>	
Capital expenditures	<u>(305,945)</u>
<b><i>Net cash used by capital and related financing activities</i></b>	<b>(305,945)</b>
 <b><i>Cash flows from investing activities</i></b>	
Interest on investments	<u>139,344</u>
<b><i>Net cash provided by investing activities</i></b>	<u>139,344</u>
<b><i>Net change in cash</i></b>	<b>421,808</b>
 Cash, and cash equivalents, July 1, 2007	 <u>11,334,155</u>
Cash and cash equivalents, September 30, 2007	<u><u>\$11,755,963</u></u>



## Schedule E

**SELF-INSURANCE FUND****BALANCE SHEET  
SEPTEMBER 30, 2007**

	<b><u>September 30, 2007</u></b>
<b>ASSETS</b>	
Pooled Cash and Investments	\$5,867,460
Restricted cash	7,937
<i>Total Current Assets</i>	<b>5,875,397</b>
Advances to Other Funds	3,748,000
<b>Total Assets</b>	<b>\$9,623,397</b>
<b>LIABILITIES AND FUND EQUITY</b>	
<b>Current Liabilities</b>	
Accounts Payable	\$19,192
Accrued Liability for Self-Insurance Claims-current	2,603,960
<i>Total Current Liabilities</i>	<b>2,623,152</b>
Accrued Liability for Self-Insurance Claims-long-term	20,273,384
<b>Total Liabilities</b>	<b>22,896,536</b>
<b>Fund Equity (Deficit)</b>	
Retained Earnings (Deficit)	(13,273,139)
<b>Total Fund Equity (Deficit)</b>	<b>(13,273,139)</b>
<b>Total Liabilities and Fund Equity (Deficit)</b>	<b>\$9,623,397</b>

Schedule E-1

**SELF-INSURANCE FUND**

**STATEMENT OF REVENUES AND EXPENSES-BUDGET TO ACTUAL  
FOR FIRST QUARTER ENDED SEPTEMBER 30, 2007 - 25.2% EXPIRED**

	(A) Annual Budget	Year-To-date Actual Without Enc.	Budget % Without Enc.	2007 Year-to-date Actual Without Enc.	2007 Budget % Without Enc.
<b>OPERATING REVENUES</b>					
Charges for services	\$2,402,688	\$613,150	25.5%	\$529,462	22.0%
<b>Total Operating Revenues</b>	<b>2,402,688</b>	<b>613,150</b>	<b>25.5%</b>	<b>529,462</b>	<b>22.0%</b>
<b>OPERATING EXPENSES:</b>					
Salaries and employee benefits	723,600	160,933	22.2%	124,093	19.4%
Services and supplies	20,995	3,148 (B)	15.0%	613	2.9%
Other professional services	84,292	21,410	25.4%	11,012	11.9%
Insurance and claims	3,028,378	1,367,931 (C)	45.2%	936,199	29.5%
Interdepartmental charges	13,398	3,376	25.2%	2,531	21.4%
Other	6,800	129 (B)	1.9%	2,214	32.6%
<b>Total Operating Expenses</b>	<b>3,877,463</b>	<b>1,556,927</b>	<b>40.2%</b>	<b>1,076,662</b>	<b>27.3%</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(1,474,775)</b>	<b>(943,777)</b>	<b>64.0%</b>	<b>(547,200)</b>	<b>35.5%</b>
<b>OPERATING TRANSFERS IN</b>	<b>1,320,000</b>	<b>332,640</b>	<b>25.2%</b>	<b>239,680</b>	<b>21.4%</b>
<b>OPERATING TRANSFERS (OUT)</b>	<b>(8,318)</b>	<b>(2,099)</b>	<b>25.2%</b>	<b>(1,712)</b>	<b>21.4%</b>
<b>NET INCOME (LOSS)</b>	<b>\$ (163,093)</b>	<b>\$ (613,236)</b>	<b>376.0%</b>	<b>\$ (309,232)</b>	<b>72.0%</b>

(A) The annual budget includes prior year encumbrances of \$1,559.

(B) Expenses are incurred on an as-needed basis.

(C) This amount includes payment of annual liability insurance and excess liability premiums. In addition, workers comp payments for over 4 years increased during the quarter.

**SELF-INSURANCE FUND****STATEMENT OF CASH FLOWS  
FOR FIRST QUARTER ENDED SEPTEMBER 30, 2007****Cash flows from operating activities**

Operating loss	(\$943,777)	
Adjustments to reconcile operating loss to net cash used by operating activities		
Decrease in advances to other funds	252,000	
Increase in accounts payable	5,292	
(Decrease) in accrued liabilities	<u>(11,015)</u>	
<b>Net cash used by operating activities</b>		<u>(\$697,500)</u>

**Cash flows from noncapital financing activities**

Operating transfers in	332,640	
Operating transfers out	<u>(2,099)</u>	
<b>Net cash provided by noncapital financing activities</b>		<u>330,541</u>

<b>Net change in cash</b>		<b>(366,959)</b>
---------------------------	--	------------------

<b>Cash and cash equivalents, July 1, 2007</b>		<u><b>6,242,356</b></u>
--	--	-------------------------

<b>Cash and cash equivalents, September 30, 2007</b>		<u><u><b>\$5,875,397</b></u></u>
--	--	----------------------------------

**AIRPORT FUND****BALANCE SHEET****September 30, 2007**

	<b><u>September 30, 2007</u></b>
<b>ASSETS</b>	
Pooled Cash and Investments	\$6,481,633
Accounts Receivable	402,608
Interest Receivable	83,349
<b>Total Current Assets</b>	<b>6,967,590</b>
Property, Plant and Equipment, net	6,508,801
<b>Total Assets</b>	<b>\$13,476,391</b>
<b>LIABILITIES AND FUND EQUITY</b>	
<b>Current Liabilities</b>	
Accounts Payable	\$92,977
Accrued Liabilities	97,057
Unearned Revenue	142,200
<b>Total Current Liabilities</b>	<b>332,234</b>
<b>Total Liabilities</b>	<b>332,234</b>
<b>Fund Equity</b>	
Unreserved Retained Earnings	13,144,157
<b>Total Fund Equity</b>	<b>13,144,157</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$13,476,391</b>

# Schedule F-1

## **AIRPORT FUND** **STATEMENT OF REVENUES AND EXPENSES - BUDGET TO ACTUAL** **FOR FIRST QUARTER ENDED SEPTEMBER 30, 2007 25.2% EXPIRED**

	<b>Annual Budget</b>	<b>Year-to-Date Actual Without Enc.</b>	<b>Budget % Without Enc.</b>	<b>2007 Year-to-Date Actual Without Enc.</b>	<b>2007 Budget % Without Enc.</b>
<b>OPERATING REVENUES</b>					
Leased land area rentals	\$ 8,132,600	\$ 1,733,871 (A)	21.3%	\$ 2,781,629	33.5%
Hangar and building rentals	2,267,000	553,096	24.4%	542,677	25.5%
Airfield fees and charges	187,000	50,163	26.8%	44,916	27.6%
Other	15,400	3,344	21.7%	3,072	38.4%
<b>Total Operating Revenues</b>	<b>10,602,000</b>	<b>2,340,474</b>	<b>22.1%</b>	<b>3,372,294</b>	<b>31.8%</b>
<b>OPERATING EXPENSES</b>					
Salaries and employee benefits	1,583,481	376,252	23.8%	308,474	20.8%
Services and supplies	348,522	104,786 (B)	30.1%	67,417	17.5%
Other professional services	502,078	59,395 (C)	11.8%	51,298	12.9%
Depreciation and amortization	300,305	75,677	25.2%	50,140	16.7%
Insurance and Claims	28,169	14,157 (D)	50.3%	13,623	48.4%
Interdepartmental charges	656,371	159,636	24.3%	130,228	21.6%
Property tax in lieu, leased land rental	1,850,000	466,089	25.2%	395,900	21.4%
Other	33,950	1,965 (C)	5.8%	1,618	4.8%
<b>Total Operating Expenses</b>	<b>5,302,876</b>	<b>1,257,957</b>	<b>23.7%</b>	<b>1,018,698</b>	<b>20.0%</b>
<b>OPERATING INCOME (LOSS)</b>	<b>5,299,124</b>	<b>1,082,517</b>	<b>20.4%</b>	<b>2,353,596</b>	<b>42.6%</b>
<b>NON-OPERATING REVENUES</b>					
Interest income - Operations	200,000	81,134 (E)	40.6%	50,912	33.9%
<b>Total Non-Operating Revenues</b>	<b>200,000</b>	<b>81,134</b>	<b>40.6%</b>	<b>50,912</b>	<b>33.9%</b>
<b>NON-OPERATING EXPENSES</b>					
Interest expense	186,950	47,100	25.2%	43,819	21.4%
<b>Income (Loss) before transfers</b>	<b>5,312,174</b>	<b>1,116,551</b>	<b>21.0%</b>	<b>2,360,689</b>	<b>43.2%</b>
<b>OPERATING TRANSFERS OUT</b>	<b>(6,341,043)</b>	<b>(2,569,536) (F)</b>	<b>40.5%</b>	<b>(760,869)</b>	<b>21.4%</b>
<b>NET INCOME (LOSS)</b>	<b>\$ (1,028,869)</b>	<b>\$ (1,452,985)</b>	<b>141.2%</b>	<b>\$ 1,599,820</b>	<b>83.5%</b>

- (A) One of the shopping mall tenant's basic rent is increasing substantially starting October 1, 2007.  
One of auto dealers has a new facility with a substantial rent increase that started in the middle of September 2007.
- (B) Public Works Airport Operations payment to DMJM Aviation for the Zamperini Field airport layout plan in the amount of \$27,572 utilizing 8.3% of the Aeronautical budget.
- (C) The budget for other professional services, travel and training has not been fully utilized due to timing.
- (D) The annual insurance premium to Alliant was paid in July utilizing 37.7% of the budget.
- (E) The interest earnings are higher than anticipated due to a higher cash balance. The 2007/08 budget was increased by \$50,000 and if the trend continues the budget will be increase upward again for 2008/09.
- (F) Transfers to the Airport Capital projects fund in the amount of \$900,000 utilizing 14.2% of the budget.

**AIRPORT - AERONAUTICAL**  
**STATEMENT OF REVENUES AND EXPENSES - BUDGET TO ACTUAL**  
**FOR FIRST QUARTER ENDED SEPTEMBER 30, 2007 25.2% EXPIRED**

	Annual Budget	Year-to-Date Actual Without Enc.	Budget % Without Enc.	2007 Year-to-Date Actual Without Enc.	2007 Budget % Without Enc.
<b>OPERATING REVENUES</b>					
Leased land area rentals	\$ 1,143,600	\$ 283,205	24.8%	\$ 271,082	26.2%
Hangar and building rentals	2,267,000	553,096	24.4%	542,677	25.5%
Airfield fees and charges	187,000	50,163	26.8%	44,916	27.6%
Other	15,400	3,344	21.7%	3,072	38.4%
<b>Total Operating Revenues</b>	<b>3,613,000</b>	<b>889,808</b>	<b>24.6%</b>	<b>861,747</b>	<b>25.8%</b>
<b>OPERATING EXPENSES</b>					
Salaries and employee benefits	1,364,845	316,730	23.2%	262,058	20.6%
Services and supplies	332,449	100,737 (A)	30.3%	63,977	17.4%
Other Professional services	393,066	41,130 (B)	10.5%	35,783	12.3%
Depreciation and amortization	300,305	75,677	25.2%	50,140	16.7%
Insurance and claims	28,169	14,157 (C)	50.3%	13,623	48.4%
Interdepartmental charges	656,371	159,636	24.3%	130,228	21.6%
Payment to City in lieu of taxes	250,000	62,985	25.2%	53,500	21.4%
Other	9,500	208 (B)	2.2%	37	0.4%
<b>Total Operating Expenses</b>	<b>3,334,705</b>	<b>771,260</b>	<b>23.1%</b>	<b>609,346</b>	<b>19.5%</b>
<b>OPERATING INCOME (LOSS)</b>	<b>278,295</b>	<b>118,548</b>	<b>42.6%</b>	<b>252,401</b>	<b>119.3%</b>
<b>NON-OPERATING EXPENSES</b>					
Interest expense	186,950	47,100	25.2%	43,819	21.4%
<b>Total Non-Operating Expenses</b>	<b>186,950</b>	<b>47,100</b>	<b>25.2%</b>	<b>43,819</b>	<b>21.4%</b>
<b>Income (Loss) before transfers</b>	<b>91,345</b>	<b>71,448</b>	<b>78.2%</b>	<b>208,582</b>	<b>3062.9%</b>
<b>OPERATING TRANSFERS OUT</b>	<b>(20,280)</b>	<b>(5,109)</b>	<b>25.2%</b>	<b>(2,397)</b>	<b>21.4%</b>
<b>NET INCOME (LOSS)</b>	<b>\$ 71,065</b>	<b>\$ 66,339</b>	<b>93.3%</b>	<b>\$ 206,185</b>	<b>4796.7%</b>

(A) Public Works Airport Operations payment to DMJM Aviation for the Zamperini Field airport layout plan in the amount of \$27,572 utilizing 8.3% of the Aeronautical budget.

(B) The budget for other professional services, travel and training has not been fully utilized due to timing.

(C) The annual insurance premium to Alliant was paid in July utilizing 37.7% of the budget.

## Schedule F-3

### AIRPORT - NON-AERONAUTICAL STATEMENT OF REVENUES AND EXPENSES - BUDGET TO ACTUAL FOR FIRST QUARTER ENDED SEPTEMBER 30, 2007 25.2% EXPIRED

	Annual Budget	Year-to-Date Actual Without Enc.	Budget % Without Enc.	2007 Year-to-Date Actual Without Enc.	2007 Budget % Without Enc.
<b>OPERATING REVENUES</b>					
Leased land area rentals	\$ 6,989,000	\$ 1,450,666 (A)	20.8%	\$ 2,510,547	34.5%
<b>Total Operating Revenues</b>	6,989,000	1,450,666	20.8%	2,510,547	34.5%
<b>OPERATING EXPENSES</b>					
Salaries and employee benefits	218,636	59,522	27.2%	46,416	22.1%
Services and supplies	16,073	4,049	25.2%	3,440	21.4%
Other Professional services	109,012	18,265 (B)	16.8%	15,515	14.2%
Leased Land Rental	1,600,000	403,104	25.2%	342,400	21.4%
Other	24,450	1,757 (B)	7.2%	1,581	6.5%
<b>Total Operating Expenses</b>	1,968,171	486,697	24.7%	409,352	20.9%
<b>OPERATING INCOME (LOSS)</b>	5,020,829	963,969	19.2%	2,101,195	39.5%
<b>NON-OPERATING REVENUES</b>					
Interest income - Operations	200,000	81,134 (C)	40.6%	50,912	33.9%
<b>Total Non-Operating Revenues</b>	200,000	81,134	40.6%	50,912	33.9%
<b>Income (Loss) before transfers</b>	5,220,829	1,045,103	20.0%	2,152,107	39.4%
<b>OPERATING TRANSFERS OUT</b>	(6,320,763)	(2,564,427) (D)	40.6%	(758,472)	21.4%
<b>NET INCOME (LOSS)</b>	\$ (1,099,934)	\$ (1,519,324)	138.1%	\$ 1,393,635	72.6%

- (A) One of the shopping mall tenant's basic rent is increasing substantially starting October 1, 2007.  
One of auto dealers has a new facility with a substantial rent increase that started in the middle of September 2007.
- (B) The budget for other professional services, travel and training has not been fully utilized due to timing.
- (C) The interest earnings are higher than anticipated due to a higher cash balance. The 2007/08 budget was increased by \$50,000 and if the trend continues the budget will be increase upward again for 2008/09.
- (D) Transfers to the Airport Capital projects fund in the amount of \$900,000 utilizing 14.2% of the budget.

**AIRPORT FUND**  
**STATEMENT OF CASH FLOWS**  
**FOR FIRST QUARTER ENDED SEPTEMBER 30, 2007**

**Cash flows from operating activities**

Operating income	\$1,082,517	
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation and amortization	75,677	
(Increase) in accounts receivable	(133,133)	
Increase in accounts payable	7,541	
(Decrease) in deposits payable	(450)	
Increase in retainage payable	2,715	
Increase in accrued liabilities	2,381	
<b>Net cash provided by operating activities</b>	<u>                    </u>	\$1,037,248

**Cash flows from capital and related financing activities**

Capital expenditures	(48,495)	
Interest expense	(47,100)	
<b>Net cash used by capital and related financing</b>	<u>                    </u>	(95,595)

**Cash flows from noncapital financing activities**

Operating transfer out	(1,669,536)	
<b>Net cash used by noncapital financing activities</b>	<u>                    </u>	(1,669,536)

**Cash flows from investing activities**

Interest on investments	81,134	
<b>Net change in cash</b>	<u>                    </u>	(646,749)

Cash and cash equivalents, July 1, 2007

7,128,382

Cash and cash equivalents, September 30, 2007

\$6,481,633



**TRANSIT FUND****BALANCE SHEET  
SEPTEMBER 30, 2007**

	<u>September 30, 2007</u>
<b>ASSETS</b>	
Pooled Cash and Investments	\$4,319,968
Accounts Receivable	48,041
Inventory	639,081
Due from other Governments	121,348
Prepayments	2,484
<i>Total Current Assets</i>	<div style="border: 1px solid black; display: inline-block; padding: 2px;">5,130,922</div>
Property, Plant and Equipment, net	10,754,354
<b>Total Assets</b>	<div style="border: 1px solid black; display: inline-block; padding: 2px;">\$15,885,276</div>
<b>LIABILITIES AND FUND EQUITY</b>	
<b>Current Liabilities</b>	
Accounts Payable	\$54,171
Accrued Liabilities	\$7,811
Accrued Salaries and Benefits Payable	992,703
<i>Total Current Liabilities</i>	<div style="border: 1px solid black; display: inline-block; padding: 2px;">1,054,685</div>
Deferred Liability	365,464
<b>Total Liabilities</b>	<div style="border: 1px solid black; display: inline-block; padding: 2px;">1,420,149</div>
<b>Fund Equity</b>	
Retained Earnings - Unreserved	14,465,127
<b>Total Fund Equity</b>	<div style="border: 1px solid black; display: inline-block; padding: 2px;">14,465,127</div>
<b>Total Liabilities and Fund Equity</b>	<div style="border: 1px solid black; display: inline-block; padding: 2px;">\$15,885,276</div>

# Schedule G-1

## TRANSIT FUND OPERATING SUMMARY STATEMENT OF REVENUES AND EXPENSES - BUDGET TO ACTUAL FOR FIRST QUARTER ENDED SEPTEMBER 30, 2007 - 25.2% EXPIRED

	(A) Annual Budget	Year-to-date Actual Without Enc.	Budget % W/O Enc.	2007 Year-to-date Actual Without Enc.	2007 Budget % W/O Enc.
<b>OPERATING REVENUES</b>					
Passenger cash fares	\$ 2,511,700	\$ 550,800	21.9%	\$ 392,759	16.3%
Special bus service	6,921	248 (B)	3.6%	-	0.0%
Advertising	200,000	12,618 (C)	6.3%	-	0.0%
Miscellaneous	3,630	2,827 (D)	77.9%	1,277	39.9%
<b>Total Operating Revenues</b>	<b>2,722,251</b>	<b>566,493</b>	<b>20.8%</b>	<b>394,036</b>	<b>15.3%</b>
<b>NON-OPERATING REVENUES</b>					
SB-325 allocation	5,450,272	- (E)	0.0%	-	0.0%
5% Security	263,486	- (E)	0.0%	15,000	5.9%
Proposition A Discretionary	3,262,224	763,781	23.4%	527,868	16.7%
Prop. C Disc. - Svc Exp	215,938	56,377	26.1%	-	0.0%
Prop. C Disc. - Shortfall & Zone M	126,348	40,069 (F)	31.7%	20,445	16.7%
Prop. C - Base Restructuring	597,305	148,529	24.9%	-	0.0%
Prop. C - BSIP Overcrowding	198,251	49,298	24.9%	32,080	16.7%
Prop. A - Torrance Dial-a-Lift	185,503	- (C)	0.0%	-	0.0%
Prop. A - Local Return	2,163,574	378,685 (E)	17.5%	362,783	17.3%
Prop. A - Exchange	200,000	200,000 (I)	100.0%	-	0.0%
Transit STAF	656,897	- (C)	0.0%	-	0.0%
Other cities	6,000	- (C)	0.0%	-	0.0%
Municipal Operators Service Program	374,976	- (E)	0.0%	-	0.0%
Fuel Increase Mitigation Allocation	-	-	0.0%	-	0.0%
Capital Maintenance Revenues	2,140,000	- (G)	0.0%	-	0.0%
Interest	50,000	51,673 (H)	103.3%	11,003	27.5%
<b>Total Non-Operating Revenues</b>	<b>15,890,774</b>	<b>1,688,412</b>	<b>10.6%</b>	<b>969,179</b>	<b>5.9%</b>
<b>Total Revenues / Resources</b>	<b>18,613,025</b>	<b>2,254,905</b>	<b>12.1%</b>	<b>1,363,215</b>	<b>7.2%</b>
<b>OPERATING EXPENSES</b>					
Salaries and employee benefits	12,515,445	2,800,231	22.4%	2,271,173	18.6%
Services and supplies	2,215,365	696,847 (J)	31.5%	470,841	19.1%
Other professional services	1,992,119	185,421 (K)	9.3%	80,531	4.5%
Depreciation and amortization	2,148,000	541,296	25.2%	457,795	21.3%
Insurance and Claims	351,252	57,259 (K)	16.3%	91,372	26.0%
Interdepartmental charges	2,295,603	517,446	22.5%	444,578	18.7%
Loss on disposal of fixed assets	-	-	0.0%	-	0.0%
Other	106,454	25,371	23.8%	24,376	28.0%
<b>Total Expenses</b>	<b>21,624,238</b>	<b>4,823,871</b>	<b>22.3%</b>	<b>3,840,666</b>	<b>17.9%</b>
<b>Income (Loss) before transfers</b>	<b>(3,011,213)</b>	<b>(2,568,966)</b>	<b>85.3%</b>	<b>(2,477,451)</b>	<b>103.8%</b>
<b>OPERATING TRANSFERS IN</b>	<b>193,396</b>	<b>48,736</b>	<b>25.2%</b>	<b>-</b>	<b>N/A</b>
<b>OPERATING TRANSFERS (OUT)</b>	<b>(165,356)</b>	<b>(41,670)</b>	<b>25.2%</b>	<b>(188,412)</b>	<b>60.5%</b>
<b>Income (Loss)</b>	<b>(2,983,173)</b>	<b>(2,561,900)</b>	<b>85.9%</b>	<b>(2,665,863)</b>	<b>98.8%</b>
<b>ADD: DEPRECIATION</b>	<b>2,148,000</b>	<b>541,296</b>	<b>25.2%</b>	<b>457,795</b>	<b>21.3%</b>
<b>FROM FUND BALANCE</b>	<b>835,173</b>	<b>210,464</b>	<b>25.2%</b>	<b>117,919</b>	<b>21.4%</b>
<b>NET INCOME (LOSS)</b>	<b>\$ -</b>	<b>\$ (1,810,140)</b>	<b>N/A</b>	<b>\$ (2,090,149)</b>	<b>N/A</b>
<b>PARTS AND FUEL INVENTORY PURCHASES</b>					
Parts Inventory Purchases	435,900	123,131	28.2%	70,723	16.2%
Fuel Inventory Purchases	1,500,000	242,324	16.2%	225,988	14.8%
Lubricants Inventory Purchases	59,000	7,271	12.3%	5,891	39.3%
<b>Total Parts &amp; Fuel Inventory Purchases</b>	<b>1,994,900</b>	<b>372,726</b>	<b>18.7%</b>	<b>302,602</b>	<b>15.3%</b>

(A) Annual budget includes prior year encumbrances of \$15,903.

(B) Special bus service requests are low during this time of the year. It is expected to increase during the Rose Parade.

(C) This amount represents additional advertising receipt for prior year. The accrual was based on estimate. Advertising revenues, Transit STAF, Prop A (TCTP) and contributions from other cities are billed at the end of each quarter.

(D) ID Card sales increased during the first quarter of the year.

(E) MTA remittance is expected to be received in October.

(F) Actual allocation as approved by MTA is higher than the funding marks used during budget preparation.

(G) Amount budgeted is for preventive maintenance cost which is included in this year's FTA grant application. The grant is expected to be approved and executed during the third quarter of the fiscal year.

(H) This amount includes interest for prior year which is reversed in June 2008.

(I) Actual amount represents Prop A Exchange with the City of Palos Verdes Estates as approved by Council on Nov. 14, 2006.

(J) Vehicle & equipment repairs increased during the quarter.

(K) Contract service invoices for the Senior Taxi and Dial A Taxi program are not processed timely due to vendors' late submission of invoices; Awards and settlement payments are expected to be paid in future months.

***TRANSIT FUND***  
**STATEMENT OF CASH FLOWS**  
**FOR FIRST QUARTER ENDED SEPTEMBER 30, 2007**

***Cash flows from operating activities***

Operating loss	(\$4,257,378)
Adjustments to reconcile operating loss to net cash used by operating activities	
Depreciation and amortization	541,296
Decrease in accounts receivable	1,223
Decrease in inventory	201,349
Decrease in due from governments	2,450,727
(Decrease) in accounts payable	(37,720)
(Decrease) in accrued liabilities	(490,490)
	<hr/>

***Net cash used by operating activities*** (\$1,590,993)

***Cash flows from capital and related financing activities***

Capital expenditures	(57,413)
Contributed capital received	-
	<hr/>

***Net cash provided by capital and related financing*** (57,413)

***Cash flows from noncapital financing activities***

Operating transfers in (out)	48,736
Operating grants received	1,688,412
	<hr/>

***Net cash provided by noncapital financing activities*** 1,737,148

***Net change in cash*** 88,742

**Cash, restricted cash and cash equivalents, July 1, 2007** 4,231,226

**Cash, restricted cash and cash equivalents, September 30, 2007** \$4,319,968

**Municipal Area Express (MAX)**Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances

For First Quarter Ended September 30, 2007 - 25.2% Expired

	Budget	Actual	% of Budget	2007 Year-to-date Actual W/O Enc.	2007 Budget % W/O Enc.
Revenues:					
Transit Revenues	\$ 554,219	\$ 140,696	25.4%	\$ 106,266	23.9%
Use of money and property	—	9,909	N/A	—	N/A
Intergovernmental	469,007	116,976	24.9%	6,279	1.4%
<b>Total revenues</b>	<b>1,023,226</b>	<b>267,581</b>	<b>26.2%</b>	<b>112,545</b>	<b>12.8%</b>
Expenditures:					
Current:					
Salaries & Benefits	16,200	1,651 (A)	10.2%	5,744	35.5%
Materials & Supplies	4,500	— (C)	0.0%	1,307	29.0%
Professional Technical	999,458	163,636 (B)	16.4%	69,001	8.0%
City Charges	3,068	279 (A)	9.1%	1,026	33.4%
<b>Total expenditures</b>	<b>1,023,226</b>	<b>165,566</b>	<b>16.2%</b>	<b>77,078</b>	<b>8.7%</b>
<b>From Fund Balance</b>	<b>—</b>	<b>—</b>	<b>N/A</b>	<b>—</b>	<b>N/A</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>\$ —</b>	<b>\$ 102,015</b>	<b>N/A</b>	<b>\$ 35,467</b>	<b>N/A</b>

- (A) Salary allocation will be adjusted in future months.  
 (B) Contract service fee invoice for September 2007 will be processed for payment next month.  
 (C) Materials & supplies budget is expected to be fully utilized by the end of the fiscal year.

Schedule H

**WATER FUND**

**BALANCE SHEET**  
**September 30, 2007**

	<u>September 30, 2007</u>
<b>ASSETS</b>	
Pooled Cash and Investments	\$ 10,132,505
Accounts Receivable	5,645,321
Accrued Interest Receivable	119,170
Inventories	511,461
<b>Total Current Assets</b>	<b>16,408,457</b>
Restricted cash and investments	
Pooled cash and investments	538,728
<b>Total Restricted Cash</b>	<b>538,728</b>
Utility plant in service, net	62,680,859
Advances to other funds	1,154,432
<b>Total Assets</b>	<b>\$ 80,782,476</b>
<b>LIABILITIES AND FUND EQUITY</b>	
<b>Current Liabilities</b>	
Accounts Payable	\$ 1,365,793
Accrued Liabilities	366,874
Retainage Payable	94,191
Revenue bonds due within one year	465,000
Interest on Revenue Bonds due within one year	50,833
<b>Total Current Liabilities</b>	<b>2,342,691</b>
Noncurrent Portion of revenue bonds outstanding	3,245,000
<b>Total Liabilities</b>	<b>5,587,691</b>
<b>Fund Equity</b>	
Retained Earnings - Unreserved	75,194,785
<b>Total Fund Equity</b>	<b>75,194,785</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$ 80,782,476</b>

# Schedule H-1

## WATER FUND OPERATIONS

### STATEMENT OF REVENUES AND EXPENSES-BUDGET TO ACTUAL FOR FIRST QUARTER ENDED SEPTEMBER 30, 2007 - 25.2% EXPIRED

	Annual Budget(A)	Year-To-Date Actual Without Enc.	Budget % Without Enc.	FY 2007 Year-To-Date Actual Without Enc.	FY 2007 Budget % Without Enc.
<b>OPERATING REVENUES</b>					
Water Sales	\$ 22,095,134	\$ 7,507,609 (B)	34.0%	\$ 3,227,608	15.5%
Other	960,166	215,588	22.5%	124,427	15.4%
<b>Total Operating Revenues</b>	<b>23,055,300</b>	<b>7,723,197</b>	<b>33.5%</b>	<b>3,352,035</b>	<b>15.5%</b>
<b>OPERATING EXPENSES:</b>					
Salaries and employee benefits	4,537,984	958,780 (C)	21.1%	479,648	11.0%
Services and supplies	1,129,053	217,927 (D)	19.3%	98,367	10.2%
Other professional services	461,593	76,459 (E)	16.6%	49,768	9.9%
Depreciation and amortization	1,243,800	302,400	24.3%	170,400	13.7%
Insurance and claims	92,109	11,840 (F)	12.9%	6,437	7.0%
In Lieu franchise payments	718,000	180,936	25.2%	98,366	13.7%
Interdepartmental charges	1,073,090	240,395	22.4%	121,773	11.6%
Cost of water	14,010,215	2,340,110 (G)	16.7%	1,156,563	9.3%
Others	76,575	6,078 (H)	7.9%	6,202	8.1%
<b>Total Operating Expenses</b>	<b>23,342,420</b>	<b>4,334,926</b>	<b>18.6%</b>	<b>2,187,524</b>	<b>10.2%</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(287,120)</b>	<b>3,388,271</b>	<b>1280.1%</b>	<b>1,164,511</b>	<b>1005.2%</b>
<b>NON-OPERATING REVENUES</b>					
Interest income - Operations	430,000	141,491 (I)	32.9%	88,721	22.2%
<b>Total Non-Operating Revenues</b>	<b>430,000</b>	<b>141,491</b>	<b>32.9%</b>	<b>88,721</b>	<b>22.2%</b>
<b>NON-OPERATING EXPENSES</b>					
Interest expense	181,350	76,264 (J)	42.1%	-	0.0%
<b>Total Non-Operating Expenses</b>	<b>181,350</b>	<b>76,264</b>	<b>42.1%</b>	<b>-</b>	<b>0.0%</b>
<b>Income (Loss) before transfers</b>	<b>(38,470)</b>	<b>3,453,497</b>	<b>9077.2%</b>	<b>1,253,232</b>	<b>374.7%</b>
<b>OPERATING TRANSFERS OUT</b>	<b>(1,054,659)</b>	<b>(1,030,140) (K)</b>	<b>97.7%</b>	<b>(3,603)</b>	<b>13.7%</b>
<b>NET INCOME (LOSS)</b>	<b>\$ (1,093,129)</b>	<b>\$ 2,423,357</b>	<b>321.7%</b>	<b>\$ 1,249,629</b>	<b>405.5%</b>

(A) Annual Budget includes prior year encumbrances budget of \$97,360.

(B) Revenues are higher due to high water sales to CWSC. Revenues also include \$264,823 accrued in FY06-07. These revenues will be reversed at year end.

(C) Salaries are under budget due to various vacant positions and less overtime worked.

(D) Material and supplies are purchased on as needed basis.

(E) Professional services are lower than budget, however, encumbrances of \$126,000 would bring the % up to 44%.

(F) There have been no insurance claims under \$50,000 as of September, 2007.

(G) Invoices from MWD & West Basin for the month of September, 2007 for approximately \$1,200,000 have not been received as of September, 2007.

(H) Travel and Training and Bad Debt expenditures are lower than expected.

(I) Cash balance has remained higher than expected due to higher cash balance in the capital projects fund.

(J) Bond interest expense payments are due on September 1st and March 1st of each year.

(K) A total of \$1,021,880 were transferred to Capital project fund per council approvals on May 22 12B and July 17 8I.

**WATER FUND**  
**STATEMENT OF CASH FLOWS**  
**FOR FIRST QUARTER ENDED SEPTEMBER 30, 2007**

**Cash flows from operating activities**

Operating income	\$ 3,388,271	
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation and amortization	302,400	
(Increase) in accounts receivable	(1,526,989)	
Decrease in prepaid	1,799	
Decrease in inventory	17,613	
(Decrease) in accounts payable	(1,111,521)	
(Decrease) in deposits	(3,034)	
(Decrease) in Accrued Liabilities	(659,213)	
<b>Net cash provided by operating activities</b>	<u>\$ 409,326</u>	

**Cash flows from capital and related financing activities**

Capital expenditures	(587,853)	
Interest paid on revenue bonds	(76,264)	
Contributed capital received	11,037	
<b>Net cash used by capital and related financing</b>	<u>(653,080)</u>	

**Cash flows from noncapital financing activities**

Operating transfers out	(8,260)	
<b>Net cash used by noncapital financing activities</b>	<u>(8,260)</u>	(A)

**Cash flows from investing activities**

Interest on investments	141,491	
<b>Net cash provided by investing activities</b>	<u>141,491</u>	

**Net change in cash** (110,524)

**Cash, restricted cash and cash equivalents, July 1, 2007** 10,781,757

**Cash, restricted cash and cash equivalents, September 30, 2007** \$ 10,671,233 (B)

(A) Excludes operating fund transfers out to capital subfund.

(B) Includes cash held by trustee and project cash.

**EMERGENCY MEDICAL SERVICES FUND****BALANCE SHEET**  
**September 30, 2007****September 30, 2007****ASSETS**

Pooled Cash and Investments	\$	8,934
Accounts Receivable		93,097
<b>Total Current Assets</b>		<b>102,031</b>

Property, Plant and Equipment, net		49,208
------------------------------------	--	--------

<b>Total Assets</b>	\$	<b>151,239</b>
---------------------	----	----------------

**LIABILITIES AND FUND EQUITY****Current Liabilities**

Accounts Payable	\$	4,662
<b>Total Liabilities</b>		<b>4,662</b>

**Fund Equity(Deficit)**

Retained Earnings - Reserved		4,122 (A)
Retained Earnings		142,455
<b>Total Fund Equity(Deficit)</b>		<b>146,577</b>

<b>Total Liabilities and Fund Equity(Deficit)</b>	\$	<b>151,239</b>
---	----	----------------

(A) Amount used to balance 2007-08 budget.



**EMERGENCY MEDICAL SERVICES FUND****STATEMENT OF REVENUES AND EXPENSES-BUDGET TO ACTUAL  
FOR FIRST QUARTER ENDED, SEPTEMBER 30, 2007 - 25.2% EXPIRED**

	<b>Annual Budget(A)</b>	<b>Year-To-Date Actual Without Enc.</b>	<b>Budget % Without Enc.</b>	<b>FY 2007 Year-To-Date Actual Without Enc.</b>	<b>FY 2007 Budget % Without Enc.</b>
<b>OPERATING REVENUES</b>					
PM ALS Resp and Transport Fees	\$ 685,760	\$ 207,841 (B)	30.3%	\$ 148,246	21.6%
Medical Resupply Fee	145,000	41,515	28.6%	41,630	28.7%
Paramedic Medical Facility Fee	103,000	45,345 (C)	44.0%	32,965	32.0%
<b>Total Operating Revenues</b>	<b>933,760</b>	<b>294,701</b>	<b>31.6%</b>	<b>222,841</b>	<b>23.9%</b>
<b>OPERATING EXPENSES:</b>					
Salaries and employee benefits	8,298,677	1,787,960	21.5%	1,595,348	20.5%
Services and supplies	272,131	66,118	24.3%	44,956	16.5%
Other professional services	73,000	16,431	22.5%	1,583	1.5%
Depreciation and amortization	7,000	-	0.0%	1,459	N/A
Capital Outlay	4,122	4,428 (D)	107.4%	-	N/A
Others	18,400	2,180	11.8%	260	2.6%
<b>Total Operating Expenses</b>	<b>8,673,330</b>	<b>1,877,117</b>	<b>21.6%</b>	<b>1,643,606</b>	<b>20.1%</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(7,739,570)</b>	<b>(1,582,416)</b>	<b>20.4%</b>	<b>(1,420,765)</b>	<b>19.7%</b>
<b>Income (Loss) before transfers</b>	<b>(7,739,570)</b>	<b>(1,582,416)</b>	<b>20.4%</b>	<b>(1,420,765)</b>	<b>19.7%</b>
<b>OPERATING TRANSFERS IN FROM FUND BALANCE</b>	<b>7,735,448</b>	<b>1,582,416 (E)</b>	<b>20.5%</b>	<b>1,420,765</b>	<b>19.7%</b>
	<b>4,122</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>
<b>NET INCOME (LOSS)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>N/A</b>	<b>\$ -</b>	<b>N/A</b>

(A) Annual Budget includes prior year encumbrances budget of \$4,122.

(B) Monthly revenues are budgeted at \$57,000 and actuals are only slightly lower after excluding \$58,183 in FY06/07 accrued revenues that will be reversed in June 2008.

(C) Monthly revenues are budgeted at \$8,600 and actuals are averaging higher at \$12,900 after excluding \$6,739 in FY06/07 accrued revenues that will be reversed in June 2008.

(D) Medical equipment purchases that don't meet the dollar threshold for capitalization are expensed here. These smaller purchases are typically not budgeted for separately.

(E) Operating transfers in and use of fund balance are booked on an as needed basis.

**EMERGENCY MEDICAL SERVICES FUND****STATEMENT OF CASH FLOWS  
FOR FIRST QUARTER ENDED, SEPTEMBER 30, 2007****Cash flows from operating activities**

Operating loss	\$	(1,582,416)	
Adjustments to reconcile operating loss to net cash used by operating activities			
Depreciation and amortization		-	
Decrease in prepaids		150	
Increase in accounts payable		4,662	
(Decrease) in accrued liabilities		(12,328)	
		<hr/>	
<b>Net cash used by operating activities</b>	\$		(1,589,932)

**Cash flows from noncapital financing activities**

Operating transfers in	<hr/>	1,582,416	
<b>Net cash provided by noncapital financing activities</b>			<hr/> 1,582,416

**Net change in cash** (7,516)

**Cash, restricted cash and cash equivalents, July 1, 2007** 

---

16,450

**Cash, restricted cash and cash equivalents, September 30, 2007** 

---

---

\$ 8,934

Schedule J

***SANITATION ENTERPRISE FUND***

***BALANCE SHEET***  
***September 30, 2007***

**September 30, 2007**

**ASSETS**

Pooled Cash and Investments	\$	2,896,319
Accounts Receivable		1,275,042
<b>Total Current Assets</b>		<b>4,171,361</b>
Utility plant in service, net		111,588
<b>Total Assets</b>	<b>\$</b>	<b>4,282,949</b>

**LIABILITIES AND FUND EQUITY**

***Current Liabilities***

Accounts Payable	\$	23,343
Accrued Liabilities		524,957
<b>Total Liabilities</b>		<b>548,300</b>

***Fund Equity***

Retained Earnings - Reserved		797,898 (A)
Retained Earnings - Unreserved		2,936,751
<b>Total Fund Equity</b>		<b>3,734,649</b>

<b>Total Liabilities and Fund Equity</b>	<b>\$</b>	<b>4,282,949</b>
--	-----------	------------------

(A) - Includes amount used to balance the 2007/08 budget.

**SANITATION ENTERPRISE FUND****STATEMENT OF REVENUES AND EXPENSES-BUDGET TO ACTUAL  
FOR FIRST QUARTER ENDED SEPTEMBER 30, 2007 - 25.2% EXPIRED**

	<b>Annual Budget (A)</b>	<b>Year-To-Date Actual Without Enc.</b>	<b>Budget % Without Enc.</b>	<b>FY 2007 Year-To-Date Actual Without Enc.</b>	<b>FY 2007 Budget % Without Enc.</b>
<b>OPERATING REVENUES</b>					
Refuse fee revenue	\$ 6,651,000	\$ 1,733,431	26.1%	\$ 1,346,664	20.9%
Sewer fee revenue	1,242,000	411,284 (B)	33.1%	290,653	23.4%
Recycling fee revenue	1,450,000	364,642	25.1%	269,556	18.6%
AB 939 fee revenue	593,000	192,736 (C)	32.5%	174,003	29.3%
<b>Total Operating Revenues</b>	<b>9,936,000</b>	<b>2,702,092</b>	<b>27.2%</b>	<b>2,080,876</b>	<b>21.4%</b>
<b>OPERATING EXPENSES:</b>					
Salaries and employee benefits	4,109,508	960,644	23.4%	800,153	19.5%
Services and supplies	3,111,302	785,245	25.2%	481,208	17.6%
Depreciation and amortization	25,180	6,345	25.2%	5,792	24.3%
Other professional services	2,445,917	330,338 (D)	13.5%	435,520	17.0%
Insurance and claims	222,374	73,540 (E)	33.1%	81,827	36.8%
Interdepartmental charges	744,442	177,708	23.9%	164,632	21.7%
Others	29,520	3,442 (F)	11.7%	1,811	6.1%
<b>Total Operating Expenses</b>	<b>10,688,243</b>	<b>2,337,262</b>	<b>21.9%</b>	<b>1,970,943</b>	<b>18.9%</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(752,243)</b>	<b>364,830</b>	<b>148.5%</b>	<b>109,933</b>	<b>115.7%</b>
<b>NON-OPERATING REV (EXP)</b>					
Interest income (expense)	100,000	30,534 (G)	30.5%	20,775	N/A
<b>Total Non-Operating Revenues (Expense)</b>	<b>100,000</b>	<b>30,534</b>	<b>30.5%</b>	<b>20,775</b>	<b>N/A</b>
<b>Income (Loss) before transfers</b>	<b>(652,243)</b>	<b>395,364</b>	<b>160.6%</b>	<b>130,708</b>	<b>121.8%</b>
<b>OPERATING TRANSFERS IN</b>	<b>75,000</b>	<b>18,900</b>	<b>25.2%</b>	<b>16,050</b>	<b>21.4%</b>
<b>OPERATING TRANSFERS OUT</b>	<b>(220,655)</b>	<b>(219,832) (H)</b>	<b>99.6%</b>	<b>-</b>	<b>-</b>
<b>FROM FUND BALANCE</b>	<b>797,898</b>	<b>-</b>	<b>N/A</b>	<b>-</b>	<b>N/A</b>
<b>NET INCOME (LOSS)</b>	<b>\$ -</b>	<b>\$ 194,431</b>	<b>N/A</b>	<b>\$ 146,758</b>	<b>N/A</b>

(A) Annual budget includes prior year encumbrances budget of \$11,452.

(B) Sewer fee revenues are high due to the seasonality of water usage.

(C) Revenues include \$93,497 in revenues accrued in FY 06-07. These revenues will be reversed in June, 2008.

(D) Dump fees for the month of September for approximately \$150,000 have not been paid as of September 30, 2007. In addition, contracts for emergency purchases are on as needed basis.

(E) The annual premium for the City's pollution policy for \$54,591 has been paid.

(F) Out of town travel and Bad Debts are low as of September 30, 2007.

(G) Interest income is higher than anticipated due to prior year revenues higher than budgeted by almost 9%.

(H) A transfer to the Material Reserve Fund for \$219,555 was posted in September per Council 09/11/07 Item 8J.

***SANITATION ENTERPRISE FUND***  
**STATEMENT OF CASH FLOWS**  
**FOR FIRST QUARTER ENDED SEPTEMBER 30, 2007**

<b><i>Cash flows from operating activities</i></b>		
Operating income	\$	364,830
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation and amortization		6,345
(Increase) in accounts receivable		(102,401)
Decrease in other prepayments		66
(Decrease) in accounts payable		(138,343)
		<hr/>
<b><i>Net cash provided by operating activities</i></b>	\$	130,497
 <b><i>Cash flows from capital and related financing activities</i></b>		
Capital Grants		56,434
Capital expenditures		(9,132)
		<hr/>
<b><i>Net cash provided by capital and related financing</i></b>		47,302
 <b><i>Cash flows from noncapital financing activities</i></b>		
Operating transfers in		18,900
		<hr/>
<b><i>Net cash used by noncapital financing activities</i></b>		(200,932)
 <b><i>Cash flows from investing activities</i></b>		
Interest income (expense)		30,534
		<hr/>
<b><i>Net cash provided by investing activities</i></b>		30,534
		<hr/>
<b><i>Net change in cash</i></b>		7,400
 Cash, restricted cash and cash equivalents, July 1, 2007		<hr/>
		2,888,919
 Cash, restricted cash and cash equivalents, September 30, 2007	\$	<hr/> <hr/>
		2,896,319

## Schedule K

**CULTURAL ARTS CENTER ENTERPRISE FUND****BALANCE SHEET**  
**September 30, 2007**

	<u><b>September 30, 2007</b></u>
<b>ASSETS</b>	
Pooled Cash and Investments	\$428,831
Accounts Receivable	16,756
<b>Total Current Assets</b>	<b>445,587</b>
Machinery and Equipment, net	483,041
<b>Total Assets</b>	<b>\$928,628</b>
<b>LIABILITIES AND FUND EQUITY</b>	
<b>Current Liabilities</b>	
Accounts Payable	\$218,532
Accrued liabilities	65,217
<b>Total Liabilities</b>	<b>283,749</b>
<b>Fund Equity</b>	
Retained Earnings - Reserved	48,395 (A)
Retained Earnings - Unreserved	596,484
<b>Total Fund Equity</b>	<b>644,879</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$928,628</b>

(A) Represents amount used to balance FY07-08 budget

## Schedule K-1

**CULTURAL ARTS CENTER ENTERPRISE FUND****STATEMENT OF REVENUES AND EXPENSES - BUDGET TO ACTUAL  
FOR FIRST QUARTER ENDED SEPTEMBER 30, 2007 25.2% EXPIRED**

	<b>Annual Budget</b>	<b>Year-To-Date Actual Without Enc.</b>	<b>Budget % Without Enc.</b>	<b>2007 Year-To-Date Actual Without Enc.</b>	<b>2007 Budget % Without Enc.</b>
<b>OPERATING REVENUES</b>					
Charges for services	\$ 756,000	\$ 226,219 (A)	29.9%	\$ 174,991	23.6%
<b>Total Operating Revenues</b>	<b>756,000</b>	<b>226,219</b>	<b>29.9%</b>	<b>174,991</b>	<b>23.6%</b>
<b>OPERATING EXPENSES:</b>					
Salaries and employee benefits	1,383,052	338,351	24.5%	261,159	19.8%
Services and supplies	134,870	26,620 (B)	19.7%	12,385	9.2%
Other professional services	303,025	108,367 (C)	35.8%	103,323	34.1%
Depreciation and amortization	9,000	2,268	25.2%	1,845	26.0%
Interdepartmental charges	107,420	27,070	25.2%	21,374	21.4%
Other	12,400	938 (B)	7.6%	1520	12.3%
<b>Total Operating Expenses</b>	<b>1,949,767</b>	<b>503,614</b>	<b>25.8%</b>	<b>401,606</b>	<b>21.4%</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(1,193,767)</b>	<b>(277,395)</b>	<b>23.2%</b>	<b>(226,615)</b>	<b>20.0%</b>
<b>NON-OPERATING REVENUES</b>					
Other - Grants	73,200	11,916	16.3%	17,675	24.1%
TCAC Foundation - Grants	25,000	2,287	9.1%	—	NA
<b>Total Non-Operating Revenues</b>	<b>98,200</b>	<b>14,203 (D)</b>	<b>14.5%</b>	<b>17,675</b>	<b>18.0%</b>
<b>Income (Loss) before transfers</b>	<b>(1,095,567)</b>	<b>(263,192)</b>	<b>24.0%</b>	<b>(208,940)</b>	<b>20.2%</b>
<b>OPERATING TRANSFERS IN</b>	<b>1,065,075</b>	<b>269,643</b>	<b>25.3%</b>	<b>137,946</b>	<b>17.6%</b>
<b>OPERATING TRANSFERS OUT</b>	<b>(17,903)</b>	<b>(6,451) (E)</b>	<b>36.0%</b>	<b>(2,504)</b>	<b>21.4%</b>
<b>FROM FUND BALANCE</b>	<b>48,395</b>	<b>—</b>	<b>NA</b>	<b>73,498</b>	<b>27.9%</b>
<b>OVER (UNDER) SUBSIDY</b>	<b>—</b>	<b>—</b>	<b>NA</b>	<b>—</b>	<b>NA</b>

- (A) An increase of events at the Center has resulted in higher revenue then budgeted. The budget for 2007/08 was increased by \$15,000 and if the trend in higher revenue's continues the budget for 2008/09 will be increased.
- (B) The budget for services, supplies and travel has not been fully utilized due to timing.
- (C) Other professional services includes a \$41,800 payment to TCAC Foundation utilizing 13.8% of the budget.
- (D) Grant revenue is recognized as qualifying events take place at the Center. Due to timing of these events over the fiscal year the percentage of revenue budget expired is low at present but will be 100% utilized by the end of the fiscal year.
- (E) Transfers to the Center's capital projects fund in the amount of \$2,594 utilizing 14.5% of the budget.

**CULTURAL ARTS CENTER ENTERPRISE FUND**  
**BUDGET TO ACTUAL**  
**FOR FIRST QUARTER ENDED SEPTEMBER 30, 2007 - 25.2% EXPIRED**

	Meeting Rooms			Classrooms			Theaters			Total		
	Annual Budget 07/08	Actual 09/30/2007	% of Budget To Actual	Annual Budget 07/08	Actual 09/30/2007	% of Budget To Actual	Annual Budget 07/08	Actual 09/30/2007	% of Budget To Actual	Annual Budget 07/08	Actual 09/30/2007	% of Budget To Actual
Rental	\$ 223,000	\$ 60,036	26.9%	\$ 160,000	46,919	29.3%	\$ 113,000	\$ 35,675	31.6% (A)	\$ 496,000	\$ 142,630	28.8%
Labor	95,000	26,683	28.1%	—	—	NA	165,000	56,906	34.5% (B)	260,000	83,589	32.1%
Grant-Gen. Fund	73,200	11,916	16.3% (C)	—	—	NA	25,000	2,287	9.1% (C)	98,200	14,203	14.5%
<b>Total Revenues</b>	<b>391,200</b>	<b>98,635</b>	<b>25.2%</b>	<b>160,000</b>	<b>46,919</b>	<b>29.3%</b>	<b>303,000</b>	<b>94,868</b>	<b>31.3%</b>	<b>854,200</b>	<b>240,422</b>	<b>28.1%</b>
<b>Less: Expenses</b>												
Salaries and benefits	385,220	84,700	22.0%	319,216	68,376	21.4%	678,616	185,275	27.3%	1,383,052	338,351	24.5%
Service and Supplies	46,471	15,896	34.2% (D)	28,225	275	1.0% (E)	60,174	10,449	17.4% (E)	134,870	26,620	19.7%
Other professional services	104,317	15,940	15.3% (E)	78,100	21,870	28.0%	120,608	70,557	58.5% (F)	303,025	108,367	35.8%
Depreciation and amortization	2,000	504	25.2%	—	—	NA	7,000	1,764	25.2%	9,000	2,268	25.2%
Interdept. charges	35,989	9,069	25.2%	35,477	8,940	25.2%	35,954	9,061	25.2%	107,420	27,070	25.2%
Other	5,300	938	17.7% (E)	5,200	—	NA (E)	1,900	—	NA (E)	12,400	938	7.6%
<b>Total expenses</b>	<b>579,297</b>	<b>127,047</b>	<b>21.9%</b>	<b>466,218</b>	<b>99,461</b>	<b>21.3%</b>	<b>904,252</b>	<b>277,106</b>	<b>30.6%</b>	<b>1,949,767</b>	<b>503,614</b>	<b>25.8%</b>
<b>Income (loss) from operations</b>	<b>(188,097)</b>	<b>(28,412)</b>	<b>15.1%</b>	<b>(306,218)</b>	<b>(52,542)</b>	<b>17.2%</b>	<b>(601,252)</b>	<b>(182,238)</b>	<b>30.3%</b>	<b>(1,095,567)</b>	<b>(263,192)</b>	<b>24.0%</b>
<b>Operating Transfers In</b>	<b>132,388</b>	<b>29,665</b>	<b>22.4%</b>	<b>254,167</b>	<b>53,821</b>	<b>21.2%</b>	<b>678,520</b>	<b>186,157</b>	<b>27.4%</b>	<b>1,065,075</b>	<b>269,643</b>	<b>25.3%</b>
<b>Operating Transfers Out</b>	<b>(4,977)</b>	<b>(1,253)</b>	<b>25.2%</b>	<b>(5,077)</b>	<b>(1,279)</b>	<b>25.2%</b>	<b>(7,849)</b>	<b>(3,919)</b>	<b>49.9% (G)</b>	<b>(17,903)</b>	<b>(6,451)</b>	<b>36.0%</b>
<b>From Fund Balance</b>	<b>60,686</b>	<b>—</b>	<b>NA</b>	<b>57,128</b>	<b>—</b>	<b>NA</b>	<b>(69,419)</b>	<b>—</b>	<b>NA</b>	<b>48,395</b>	<b>—</b>	<b>NA</b>
<b>Over (Under) subsidy without enc.</b>	<b>—</b>	<b>—</b>	<b>NA</b>	<b>—</b>	<b>—</b>	<b>NA</b>	<b>—</b>	<b>—</b>	<b>NA</b>	<b>—</b>	<b>—</b>	<b>NA</b>

(A) An increase of events at the Theaters has resulted in higher revenue then budgeted. The rental revenue budget for 2007/08 was not increased but if the trend in higher revenue's continues the budget for 2008/09 will be increased.

(B) An increase of events at the Theaters has resulted in higher revenue then budgeted. The labor revenue budget for 2007/08 was decreased by \$10,000 but if the trend in higher revenue's continues the budget for 2008/09 will be increased.

(C) Grant revenue is recognized as qualifying events take place at the Center. Due to timing of these events over the fiscal year the percentage of revenue budget expired is low at present but will be 100% utilized by the end of the fiscal year.

(D) At the Center brochures invoices in the amount of \$4,633 were paid utilizing 10% of the budget.

(E) The budget for services, supplies, other professional services and travel has not been fully utilized due to timing.

(F) Other professional services includes a \$41,800 payment to TCAC Foundation utilizing 34.7% of the Theater budget.

(G) Transfers to the Center's capital projects fund in the amount of \$2,594 utilizing 33% of the Theater budget.



**CULTURAL ARTS CENTER ENTERPRISE FUND****STATEMENT OF CASH FLOWS  
FOR FIRST QUARTER ENDED SEPTEMBER 30, 2007****Cash flows from operating activities**

Operating loss	(\$277,395)
Adjustments to reconcile operating loss to net cash used by operating activities	
Depreciation and amortization	2,268
Decrease in prepaids	7,931
Decrease in accounts receivable	10,851
(Decrease) in accounts payable	(101,836)
(Decrease) in accrued liabilities	(19,014)
	<hr/>

**Net cash used by operating activities** (377,195)

**Cash flows from capital and related financing activities**

Capital Expenditures	(233)
	<hr/>

**Net cash used by capital and related financing** (233)

**Cash flows from noncapital financing activities**

Operating transfers in	269,643
Operating transfers out	(3,857)
Grants received	14,203
	<hr/>

**Net cash provided by noncapital financing activities** 279,989

**Net change in cash** (97,439)

**Cash and cash equivalents, July 1, 2007** 526,270

**Cash and cash equivalents, September 30, 2007** \$428,831

## Schedule L

**SEWER ENTERPRISE FUND****BALANCE SHEET**  
**September 30, 2007****September 30, 2007****ASSETS**

Pooled Cash and Investments	\$	10,783,935
Accounts Receivable		223,313
Accrued Interest Receivable		123,080
<b>Total Current Assets</b>		<b>11,130,328</b>

Property, Plant and Equipment, net		42,756,085
Advances to other funds		419,028

<b>Total Assets</b>	<b>\$</b>	<b>54,305,441</b>
---------------------	-----------	-------------------

**LIABILITIES AND FUND EQUITY****Current Liabilities**

Accounts Payable	\$	407
Retainage Payable		1,100
<b>Total Liabilities</b>		<b>1,507</b>

**Fund Equity**

Contributed Capital		2,786,254
Retained Earnings - Unreserved		51,517,681
<b>Total Fund Equity</b>		<b>54,303,935</b>

<b>Total Liabilities and Fund Equity</b>	<b>\$</b>	<b>54,305,441</b>
--	-----------	-------------------

## Schedule L-1

### SEWER ENTERPRISE FUND OPERATIONS STATEMENT OF REVENUES AND EXPENSES - BUDGET TO ACTUAL FOR FIRST QUARTER ENDED SEPTEMBER 30, 2007 - 25.2% EXPIRED

	Annual Budget(A)	Year-to-Date Actual Without Enc.	Budget % Without Enc.	FY 2007 Year-to-Date Actual Without Enc.	FY 2007 Budget % Without Enc.
<b>OPERATING REVENUES</b>					
Sewer charges	\$ 1,702,500	\$ 502,680 (B)	29.5%	\$ 221,842	13.0%
Sewer revolving fees	32,000	2,937 (C)	9.2%	3,200	10.0%
<b>Total Operating Revenues</b>	<b>1,734,500</b>	<b>505,617</b>	<b>29.2%</b>	<b>225,042</b>	<b>13.0%</b>
<b>OPERATING EXPENSES</b>					
Salaries and employee benefits	634,363	126,524 (D)	19.9%	81,524	13.8%
Services and supplies	26,921	1,084 (E)	4.0%	2,212	8.2%
Other professional services	117,340	904 (F)	0.8%	4,936	5.4%
Depreciation	1,005,000	253,260	25.2%	137,685	13.7%
Interdepartmental charges	153,872	34,045	22.1%	20,298	13.4%
Other	18,514	645 (G)	3.5%	272	1.9%
<b>Total Operating Expenses</b>	<b>1,956,010</b>	<b>416,462</b>	<b>21.3%</b>	<b>246,927</b>	<b>13.1%</b>
<b>OPERATING INCOME</b>	<b>(221,510)</b>	<b>89,155</b>	<b>140.2%</b>	<b>(21,885)</b>	<b>15.2%</b>
<b>NON-OPERATING REVENUES</b>					
Interest income - Operations	350,000	53,000 (H)	15.1%	73,893	21.1%
<b>Total Non-Operating Revenues</b>	<b>350,000</b>	<b>53,000</b>	<b>15.1%</b>	<b>73,893</b>	<b>21.1%</b>
<b>Income before transfers</b>	<b>128,490</b>	<b>142,154</b>	<b>110.6%</b>	<b>52,008</b>	<b>25.3%</b>
<b>OPERATING TRANSFERS OUT</b>	<b>(575,000)</b>	<b>(518,900) (I)</b>	<b>90.2%</b>	<b>(10,275)</b>	<b>13.7%</b>
<b>NET INCOME</b>	<b>\$ (446,510)</b>	<b>\$ (376,746)</b>	<b>84.4%</b>	<b>\$ 41,733</b>	<b>31.9%</b>

(A) Annual budget includes prior year encumbrances budget of \$20,970.

(B) Revenues include \$65,072 accrued in FY06-07. These revenues will be reversed at year end.

(C) Construction permit activity is low for the quarter.

(D) Charges from Other Departments are lower than budget due to vacant positions including the Deputy Public Works Director.

(E) Charges for vehicle and equipment repairs are on as needed basis.

(F) Professional Services are utilized on as needed basis.

(G) There have been no travel and training expenditures as of September 30, 2007.

(H) Interest earnings are low for the first quarter.

(I) A total of \$500,000 was transferred to the Sewer Capital Project fund per Council approval dated 05/22/07 12B.

***SEWER ENTERPRISE FUND OPERATIONS***  
***STATEMENT OF CASH FLOWS***  
***FOR FIRST QUARTER ENDED SEPTEMBER 30, 2007***

***Cash flows from operating activities***

Operating Income	\$ 89,155	
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation and amortization	253,260	
Decrease in accounts receivable	17,166	
(Increase) in Machinery & Equipment	(4,445)	
Increase in accounts payable	407	
<b><i>Net cash provided by operating activities</i></b>	\$ 355,542	

***Cash flows from capital and related financing activities***

Capital expenditures	(216,912)	
<b><i>Net cash used by capital and related financing</i></b>		(216,912)

***Cash flows from non-capital financing activities***

Operating transfers out	(18,900)	
<b><i>Net cash used by non-capital financing activities</i></b>		(18,900) (A)

***Cash flows from investing activities***

Interest on investment	53,000	
<b><i>Net cash provided by investing activities</i></b>		53,000

***Net change in cash*** 172,730

**Cash, restricted cash and cash equivalents, July 1, 2007** 10,611,205

**Cash, restricted cash and cash equivalents, September 30, 2007** \$ 10,783,935 (B)

(A) Excludes operating fund transfers out to capital subfund.

(B) Includes project cash

***PARKS AND RECREATION ENTERPRISE FUND******BALANCE SHEET  
SEPTEMBER 30, 2007******September 30, 2007******ASSETS***

Pooled Cash and Investments	(\$338,025)
Accounts Receivable	866
Machinery & Equipment, Net	8,245
Buildings, Net	18,334

<b><i>Total Assets</i></b>	<b><i>(\$310,580)</i></b>
----------------------------	---------------------------

***LIABILITIES AND FUND EQUITY******Current Liabilities***

Accounts Payable	\$54,836
------------------	----------

<b><i>Total Liabilities</i></b>	<b><i>54,836</i></b>
---------------------------------	----------------------

***Fund Equity (Deficit)***

Retained Earnings - Unreserved	(365,416)
--------------------------------	-----------

<b><i>Total Fund Equity (Deficit)</i></b>	<b><i>(365,416)</i></b>
---	-------------------------

<b><i>Total Liabilities and Fund Equity</i></b>	<b><i>(\$310,580)</i></b>
---	---------------------------

**PARKS AND RECREATION ENTERPRISE FUND****STATEMENT OF REVENUES AND EXPENSES-BUDGET TO ACTUAL  
FOR FIRST QUARTER ENDED SEPTEMBER 30, 2007 - 25.2% EXPIRED**

	<b>Annual Budget (A)</b>	<b>Year-To-date Actual Without Enc.</b>	<b>Budget % Without Enc.</b>	<b>2007 Year-to-date Actual Without Enc.</b>	<b>2007 Budget % Without Enc.</b>
<b>OPERATING REVENUES</b>					
Charges for services	\$4,210,190	\$1,670,898 (B)	39.7%	\$1,559,989	37.0%
Other	-	58,426 (C)	N/A	34,695	N/A
<b>Total Operating Revenues</b>	<b>4,210,190</b>	<b>1,729,324</b>	<b>41.1%</b>	<b>1,594,684</b>	<b>37.9%</b>
<b>OPERATING EXPENSES:</b>					
Salaries and employee benefits	4,821,267	1,285,546 (D)	26.7%	1,066,650	22.9%
Services and supplies	1,087,336	222,218 (E)	20.4%	182,900	17.9%
Other professional services	1,204,713	455,340 (F)	37.8%	322,009	27.3%
Insurance and claims	18,421	7,168 (G)	38.9%	2,011	10.9%
Interdepartmental charges	573,786	144,594	25.2%	116,858	21.4%
Depreciation	-	-	N/A	653	N/A
Other	18,220	2,309 (H)	12.7%	1,300	7.3%
<b>Total Operating Expenses</b>	<b>7,723,743</b>	<b>2,117,175</b>	<b>27.4%</b>	<b>1,692,381</b>	<b>22.7%</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(3,513,553)</b>	<b>(387,851)</b>	<b>11.0%</b>	<b>(97,697)</b>	<b>3.0%</b>
<b>Income (Loss) before transfers</b>	<b>(3,513,553)</b>	<b>(387,851)</b>	<b>11.0%</b>	<b>(97,697)</b>	<b>3.0%</b>
<b>OPERATING TRANSFERS IN</b>	<b>3,410,597</b>	<b>481,938 (I)</b>	<b>14.1%</b>	<b>641,448</b>	<b>21.4%</b>
<b>OPERATING TRANSFERS OUT</b>	<b>(70,941)</b>	<b>(17,877)</b>	<b>25.2%</b>	<b>(12,733)</b>	<b>21.4%</b>
<b>OVER (UNDER) SUBSIDY</b>	<b>(\$173,897)</b>	<b>\$76,210</b>	<b>143.8%</b>	<b>\$531,018</b>	<b>280.6%</b>

(A) Annual budget includes prior year encumbrances budget of \$107,710.

(B) Revenues are higher than budget due to high volume of registrants for summer programs.

(C) Cultural Services division received a \$50,000 donation from the Torrance Cultural Arts Center Foundation to help foster the arts development in the South Bay area.

(D) Salary Reimbursement from Prop A for approximately \$50,347 will not be billed until June, 2008.

(E) Purchases of supplies and materials for various classes are on as needed basis.

(F) Cultural Services division typically spends a large portion of its professional services budget on agreements with production artists for City showcases, various youth performances and summer musicals.

(G) Insurance renewal for FY08 for the Farmers market has been paid.

(H) Travel and membership dues budget has not been spent.

(I) Transfers from General Fund are recorded on as needed basis.

## Schedule M-2

### **PARKS AND RECREATION - RECREATION SERVICES**

#### **STATEMENT OF REVENUES AND EXPENSES-BUDGET TO ACTUAL FOR FIRST QUARTER ENDED SEPTEMBER 30, 2007 - 25.2% EXPIRED**

	<b>Annual Budget (A)</b>	<b>Year-To-date Actual Without Enc.</b>	<b>Budget % Without Enc.</b>	<b>2007 Year-to-date Actual Without Enc.</b>	<b>2007 Budget % Without Enc.</b>
<b>OPERATING REVENUES</b>					
Charges for services	\$3,060,580	\$1,005,885 (B)	32.9%	\$956,825	31.3%
Other	-	4,466	N/A	-	
<b>Total Operating Revenues</b>	<b>3,060,580</b>	<b>1,010,351</b>	<b>33.0%</b>	<b>956,825</b>	<b>31.3%</b>
<b>OPERATING EXPENSES:</b>					
Salaries and employee benefits	3,799,107	1,020,194 (C)	26.9%	823,899	22.5%
Services and supplies	806,076	137,020 (D)	17.0%	121,656	16.4%
Other professional services	668,119	164,343 (E)	24.6%	99,044	15.2%
Insurance and claims	18,421	7,168 (F)	38.9%	2,011	10.9%
Interdepartmental charges	571,786	144,090	25.2%	116,430	21.4%
Depreciation	-	-	N/A	653	0.0%
Other	12,220	1,886	15.4%	1,300	11.1%
<b>Total Operating Expenses</b>	<b>5,875,729</b>	<b>1,474,701</b>	<b>25.1%</b>	<b>1,164,994</b>	<b>20.7%</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(2,815,149)</b>	<b>(464,350)</b>	<b>16.5%</b>	<b>(208,169)</b>	<b>8.1%</b>
<b>Income (Loss) before transfers</b>	<b>(2,815,149)</b>	<b>(464,350)</b>	<b>16.5%</b>	<b>(208,169)</b>	<b>8.1%</b>
<b>OPERATING TRANSFERS IN</b>	<b>2,599,476</b>	<b>481,093 (G)</b>	<b>18.5%</b>	<b>490,724</b>	<b>21.4%</b>
<b>OPERATING TRANSFERS OUT</b>	<b>(66,441)</b>	<b>(16,743)</b>	<b>25.2%</b>	<b>(11,770)</b>	<b>21.4%</b>
<b>OVER (UNDER) SUBSIDY</b>	<b>(\$282,114) \$</b>	<b>-</b>	<b>0.0%</b>	<b>\$270,785</b>	<b>179.9%</b>

(A) Annual budget includes prior year encumbrances budget of \$107,710.

(B) Revenues are higher than budget due to the high volume of registrants for summer programs.

(C) Salary Reimbursement from Prop A for approximately \$50,347 will not be billed until June, 2008.

(D) Purchases of supplies and materials for various classes are on as needed basis.

(E) Professional services are below budget, however encumbrances of approximately \$75,000 would bring the % up to 36%.

(F) Insurance renewal for FY08 for the Farmers market has been paid

(G) Operating Transfers In are recorded as needed.

**PARKS AND RECREATION - CULTURAL SERVICES****STATEMENT OF REVENUES AND EXPENSES-BUDGET TO ACTUAL  
FOR FIRST QUARTER ENDED SEPTEMBER 30, 2007-25.2% EXPIRED**

	<b>Annual Budget</b>	<b>Year-To-date Actual Without Enc.</b>	<b>Budget % Without Enc.</b>	<b>2007 Year-to-date Actual Without Enc.</b>	<b>2007 Budget % Without Enc.</b>
<b>OPERATING REVENUES</b>					
Charges for services	\$1,149,610	\$665,013 (A)	57.8%	\$603,164	52.4%
Other	-	53,960 (B)	N/A	34,695	N/A
<b>Total Operating Revenues</b>	<b>1,149,610</b>	<b>718,973</b>	<b>62.5%</b>	<b>637,859</b>	<b>55.5%</b>
<b>OPERATING EXPENSES:</b>					
Salaries and employee benefits	1,022,160	265,352	26.0%	242,751	24.6%
Services and supplies	281,260	85,198 (C)	30.3%	61,244	21.8%
Other professional services	536,594	290,997 (D)	54.2%	222,965	42.3%
Interdepartmental Charges	2,000	504	25.2%	428	21.4%
Other	6,000	423 (E)	7.1%	-	0.0%
<b>Total Operating Expenses</b>	<b>1,848,014</b>	<b>642,474</b>	<b>34.8%</b>	<b>527,388</b>	<b>29.3%</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(698,404)</b>	<b>76,499</b>	<b>-11.0%</b>	<b>110,471</b>	<b>-16.9%</b>
<b>Income (Loss) before transfers</b>	<b>(698,404)</b>	<b>76,499</b>	<b>-11.0%</b>	<b>110,471</b>	<b>-16.9%</b>
<b>OPERATING TRANSFERS IN</b>	<b>811,121</b>	<b>845 (F)</b>	<b>0.1%</b>	<b>150,724</b>	<b>21.5%</b>
<b>OPERATING TRANSFERS OUT</b>	<b>(4,500)</b>	<b>(1,134)</b>	<b>25.2%</b>	<b>(963)</b>	<b>21.4%</b>
<b>OVER (UNDER) SUBSIDY</b>	<b>\$108,217</b>	<b>\$76,210</b>	<b>70.4%</b>	<b>\$260,232</b>	<b>581.4%</b>

(A) Charges for Services are higher than budget due to the high volume of registrants in nearly all of the division's programs.

(B) The division received a donation from the Torrance Cultural Arts Center Foundation for \$50,000 to help foster the arts development in the South Bay area.

(C) Services and supplies are high due to the division's advanced purchase of supplies and materials needed for applied art and classes.

(D) The division typically spends a large portion of its professional services budget during the summer programming session on agreements with production artists for City showcases, various youth performances and summer musicals.

(E) The division's annual travel & membership dues budget has not been spent as of September, 2007.

(F) Transfers In represent the General Fund subsidy for the Charter Club classes.



**PARKS AND RECREATION ENTERPRISE FUND****STATEMENT OF CASH FLOWS  
FOR FIRST QUARTER ENDED SEPTEMBER 30, 2007****Cash flows from operating activities**

Operating loss	(\$387,851)	
Adjustments to reconcile operating loss to net cash used by operating activities		
(Increase) in accounts receivable	(100)	
Decrease in prepaids	6,271	
Increase in accounts payable	53,902	
(Decrease) in accrued liabilities	(40,029)	
(Decrease) in deferred liabilities	(555,769)	
<b>Net cash used by operating activities</b>		(\$923,575)

**Cash flows from noncapital financing activities**

Operating transfers in	481,938	
Operating transfers out	(17,877)	
<b>Net cash provided by noncapital financing activities</b>		464,061

**Net change in cash** (459,514)

**Cash and cash equivalents, July 1, 2007** 121,489

**Cash and cash equivalents, September 30, 2007** (\$338,025)

## Schedule N

***CAPITAL IMPROVEMENTS FUND***  
***BALANCE SHEET***  
***September 30, 2007***

**ASSETS**

Pooled Cash and Investments	23,447,085	(a)
Accounts Receivables	-	
<b>Total Assets</b>	<b>\$ 23,447,085</b>	

**LIABILITIES AND FUND EQUITY****Current Liabilities**

Accounts Payable	\$ 281,390
Retainage Payable	66,519
<b>Total Liabilities</b>	<b>347,909</b>

**Fund Equity**

Retained Earnings - Reserved	23,099,176
<b>Total Fund Equity</b>	<b>23,099,176</b>

<b>Total Liabilities and Fund Equity</b>	<b>\$ 23,447,085</b>
--	----------------------

(a) Includes funds from unrestricted Bond Fund of \$5,908,592.53.

**CAPITAL IMPROVEMENTS FUND****Statement of Revenues, Expenditures  
and Changes in Fund Balances****For First Quarter Ended September 30, 2007 - 25.2% Expired**

	<u>Actual</u>
Revenues:	
Other	\$ 241
<b>Total revenues</b>	<b>241</b>
Expenditures:	
Current:	
Salaries & Benefits	38,086
Materials, supplies and services	88,870
Professional Technical	309,480
Capital outlay	51
Other	56,000
<b>Total expenditures</b>	<b>492,488</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(492,248)</b>
Operating transfers in	145,000
Operating transfers out	-
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	<b>\$ (347,248)</b>
<b>Fund balance, July 1, 2007</b>	<b>23,446,423</b>
<b>Fund balance, September 30, 2007</b>	<b>\$ 23,099,176</b>

Note 1: This fund is managed by a multi-year project budget, and therefore a budget to actual comparison has not been presented.

Schedule O

**PROP C (Fund 3301) LOCAL RETURN/GRANTS AND DISCRETIONARY FUNDS**

**BALANCE SHEET**

**September 30, 2007**

**ASSETS**

Pooled Cash and Investments	\$ 4,824,222
Interest Receivables	-
<b>Total Assets</b>	<b>\$ 4,824,222</b>

**LIABILITIES AND FUND EQUITY**

**Current Liabilities**

Accrued Liabilities	\$ -
<b>Total Liabilities</b>	<b>-</b>

**Fund Equity**

Retained Earnings - Reserved	4,824,222
<b>Total Fund Equity</b>	<b>4,824,222</b>

<b>Total Liabilities and Fund Equity</b>	<b>\$ 4,824,222</b>
--	---------------------

# Schedule O-1

## **PROP C (Fund 3301) LOCAL RETURN/GRANTS AND DISCRETIONARY FUNDS**

### **COMBINING STATEMENT OF REVENUES, EXPENDITURES**

### **AND CHANGES IN FUND BALANCES**

**For First Quarter Ended September 30, 2007 - 25.2% Expired**

	<u>Actual</u>
Revenues:	
Use of money and property	\$ 57,440
Intergovernmental	314,081
Other	-
<b>Total revenues</b>	<b>371,522</b>
Expenditures:	
Current:	
Salaries & Benefits	\$ 2,795
<b>Total expenditures</b>	<b>2,795</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>368,727</b>
Operating transfers in	-
Operating transfers out	87,771
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	<b>\$ 280,956</b>
<b>Fund balance, July 1, 2007</b>	<b>4,543,266</b>
<b>Fund balance, September 30, 2007</b>	<b>\$ 4,824,222</b>

## Schedule P

### Torrance Public Financing Authority Restricted Capital Project Fund

#### Statement of Revenues, Expenditures and Changes in Fund Balances

For First Quarter Ended September 30, 2007 25.2% Expired

	<u>Actual</u>
Revenues:	
Use of money and property	\$ —
<b>Total revenues</b>	<b>—</b>
Expenditures:	
Current:	
Salaries & Benefits	28,274
Materials & Supplies	—
Professional Technical	146,016
Capital outlay	—
<b>Total expenditures</b>	<b>174,290</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(174,290)</b>
Other financing sources (uses):	
Operating transfers out	—
Operating transfers in	—
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	<b>(174,290)</b>
<b>Fund balance, July 1, 2007</b>	<b>3,168,950</b>
<b>Fund balance, September 30, 2007</b>	<b>\$ 2,994,660</b>

Note: This fund is managed by a multi-year project budget, and therefore a budget to actual comparison has not been presented.

## Schedule Q

**Meadow Park Redevelopment Capital Project Fund**  
Statement of Revenues, Expenditures - Budget to Actual  
For First Quarter Ended September 30, 2007 - 25.2% Expired

	<b>Budget</b>	<b>Actual</b>	<b>% of Budget</b>	<b>2007 Year-to-date Actual W/O Enc.</b>	<b>2007 Budget % W/O Enc.</b>
Revenues:					
Use of money and property	\$ —	\$ —	N/A	\$ 10	N/A
Other	13,558	3,593	26.5%	3,417	25.2%
<b>Total revenues</b>	<b>13,558</b>	<b>3,593</b>	<b>26.5%</b>	<b>3,427</b>	<b>25.3%</b>
Expenditures:					
Salaries & employee benefits	—	—	N/A	3,098	21.4%
Materials suppl & maintenance	—	—	N/A	—	N/A
Prof services/contracts & utilities	—	—	N/A	—	N/A
Travel, training & membership dues	—	—	N/A	—	N/A
Interdepartmental charges	—	—	N/A	—	N/A
<b>Total expenditures</b>	<b>—</b>	<b>—</b>	<b>N/A</b>	<b>3,098</b>	<b>21.4%</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>13,558</b>	<b>3,593</b>	<b>26.5%</b>	<b>329</b>	<b>-35.9%</b>
Other financing sources (uses):					
Operating transfers in	—	—	N/A	—	N/A
Operating transfers out/transfer to City	—	—	N/A	—	N/A
Advances from County and developer	—	—	N/A	—	N/A
<b>Total other financing sources, net</b>	<b>—</b>	<b>—</b>	<b>N/A</b>	<b>—</b>	<b>N/A</b>
<b>From Fund Balance</b>	<b>—</b>	<b>—</b>	<b>N/A</b>	<b>—</b>	<b>N/A</b>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	<b>\$ 13,558</b>	<b>\$ 3,593</b>	<b>N/A</b>	<b>\$ 329</b>	<b>N/A</b>

## Schedule Q-1

**Skypark Redevelopment Capital Project Fund**  
Statement of Revenues, Expenditures - Budget to Actual  
For First Quarter Ended September 30, 2007 - 25.2% Expired

	Budget	Actual	% of Budget	2007 Year-to-date Actual W/O Enc.	2007 Budget % W/O Enc.
Revenues:					
Use of money and property	\$ —	\$ —	N/A	\$ 56	N/A
<b>Total revenues</b>	<b>—</b>	<b>—</b>	<b>N/A</b>	<b>56</b>	<b>N/A</b>
Expenditures:					
Salaries & employee benefits	—	—	N/A	—	N/A
Materials suppl & maintenance	—	—	N/A	—	N/A
Prof services/contracts & utilities	—	—	N/A	—	N/A
Travel, training & membership dues	—	—	N/A	—	N/A
Interdepartmental charges	—	—	N/A	—	N/A
<b>Total expenditures</b>	<b>—</b>	<b>—</b>	<b>N/A</b>	<b>—</b>	<b>N/A</b>
Excess (deficiency) of revenues over expenditures	—	—	N/A	56	N/A
Other financing sources (uses):					
Operating transfers in	—	—	N/A	—	N/A
Operating transfers out	—	—	N/A	—	N/A
Advances from County and developer	—	—	N/A	—	N/A
<b>Total other financing sources, net</b>	<b>—</b>	<b>—</b>	<b>N/A</b>	<b>—</b>	<b>N/A</b>
<b>From Fund Balance</b>	<b>—</b>	<b>—</b>	<b>N/A</b>	<b>—</b>	<b>N/A</b>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	<b>\$ —</b>	<b>\$ —</b>	<b>N/A</b>	<b>\$ 56</b>	<b>N/A</b>



## Schedule Q-2

**Downtown Redevelopment Capital Project Fund**  
Statement of Revenues, Expenditures - Budget to Actual  
For First Quarter Ended September 30, 2007 - 25.2% Expired

	Budget	Actual	% of Budget	2007 Year-to-date Actual W/O Enc.	2007 Budget % W/O Enc.
Revenues:					
Use of money and property	\$ 14,670	\$ 7,156 (A)	48.8%	\$ 8,042	31.0%
<b>Total revenues</b>	<b>14,670</b>	<b>7,156</b>	<b>48.8%</b>	<b>8,042</b>	<b>31.0%</b>
Expenditures:					
Salaries & employee benefits	9,500	1,810 (B)	19.1%	11,298	21.4%
Materials suppl & maintenance	26,755	—	0.0%	—	0.0%
Prof services/contracts & utilities	212,208	5,210 (C)	2.5%	9,964	4.2%
Travel, training & membership dues	63,600	2,187 (C)	3.4%	638	1.0%
Interdepartmental charges	17,838	4,495	25.2%	8,484	7.8%
<b>Total expenditures</b>	<b>329,901</b>	<b>13,702</b>	<b>4.2%</b>	<b>30,384</b>	<b>6.2%</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(315,231)</b>	<b>(6,546)</b>	<b>2.1%</b>	<b>(22,342)</b>	<b>4.8%</b>
Other financing sources (uses):					
Advances from the City	339,216	85,482	25.2%	91,228	21.4%
Operating transfers out/transfer to City	(22,517)	(5,676)	25.2%	(4,430)	21.4%
<b>Total other financing sources, net</b>	<b>316,699</b>	<b>79,806</b>	<b>25.2%</b>	<b>86,798</b>	<b>21.4%</b>
<b>From Fund Balance</b>	<b>—</b>	<b>—</b>	<b>N/A</b>	<b>—</b>	<b>0.0%</b>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	<b>\$ 1,468</b>	<b>\$ 73,260</b>	<b>N/A</b>	<b>\$ 64,456</b>	<b>N/A</b>

- (A) This amount includes interest for prior year which is reversed in June 2008.  
(B) Meeting allowances for the month of September will be posted in October.  
(C) Project activity is minimal but is expected to increase in future months.

## Schedule Q-3

**Industrial Redevelopment Capital Project Fund**  
Statement of Revenues, Expenditures - Budget to Actual  
For First Quarter Ended September 30, 2007 - 25.2% Expired

	Budget	Actual	% of Budget	2007 Year-to-date Actual W/O Enc.	2007 Budget % W/O Enc.
Revenues:					
Use of money and property	\$ —	\$ —	N/A	\$ 1,020	N/A
<b>Total revenues</b>	—	—	N/A	1,020	N/A
Expenditures:					
Salaries & employee benefits	—	—	N/A	—	N/A
Materials suppl & maintenance	—	—	N/A	—	N/A
Prof services/contracts & utilities	—	—	N/A	—	N/A
Travel, training & membership dues	—	—	N/A	—	N/A
Interdepartmental charges	—	—	N/A	—	N/A
<b>Total expenditures</b>	—	—	N/A	—	N/A
Excess (deficiency) of revenues over expenditures	—	—	N/A	1,020	N/A
Other financing sources (uses):					
Operating transfers out/transfer to City	—	—	N/A	—	N/A
Capital project - Fund 4704	—	—	N/A	—	N/A
<b>Total other financing sources, net</b>	—	—	N/A	—	N/A
<b>From Fund Balance</b>	—	—	N/A	—	N/A
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	\$ —	\$ —	N/A	\$ 1,020	N/A

## Schedule Q-4

### Low Moderate Income Housing Redevelopment Capital Project Fund

Statement of Revenues, Expenditures - Budget to Actual  
For First Quarter Ended September 30, 2007 - 25.2% Expired

	Budget	Actual	% of Budget	2007 Year-to-date Actual W/O Enc.	2007 Budget % W/O Enc.
Revenues:					
Use of money and property	\$ 133,900	\$ 78,540 (A)	58.7%	\$ 49,409	36.9%
Other	—	—	N/A	—	N/A
<b>Total revenues</b>	<b>133,900</b>	<b>78,540</b>	<b>58.7%</b>	<b>49,409</b>	<b>36.9%</b>
Expenditures:					
Salaries & employee benefits	246,650	45,397 (B)	18.4%	12,964	3.2%
Materials suppl & maintenance	164,498	18,493 (C)	11.2%	10,134	7.4%
Prof services/contracts & utilities	170,054	— (C)	0.0%	—	0.0%
Travel, training & membership dues	1,100	— (C)	0.0%	—	0.0%
Interdepartmental charges	4,570	1,152	25.2%	642	21.4%
<b>Total expenditures</b>	<b>586,872</b>	<b>65,042</b>	<b>11.1%</b>	<b>23,740</b>	<b>3.3%</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(452,972)</b>	<b>13,498</b>	<b>-103.0%</b>	<b>25,669</b>	<b>-4.4%</b>
Other financing sources (uses):					
Operating transfers in	1,267,846	— (D)	0.0%	—	0.0%
Operating transfers out	(18,800)	(4,738)	25.2%	(4,023)	21.4%
<b>Total other financing sources, net</b>	<b>1,249,046</b>	<b>(4,738)</b>	<b>-0.4%</b>	<b>(4,023)</b>	<b>-0.3%</b>
<b>From Fund Balance</b>	<b>—</b>	<b>—</b>	<b>N/A</b>	<b>—</b>	<b>N/A</b>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	<b>\$ 796,074</b>	<b>\$ 8,760</b>	<b>1.1%</b>	<b>\$ 21,646</b>	<b>3.3%</b>

- (A) This amount includes interest for prior year which is reversed in June 2008.  
 (B) Home Improvement Program labor charges decreased during the quarter.  
 (C) Project activity is minimal but is expected to increase in future months.  
 (D) This transfer represents the 20% Low Mod Housing set-aside from the Debt Service funds which is calculated based on the actual tax increments received which is remitted by the County starting November of each year.

Note: The Low Mod Housing Fund has a cash balance of \$6,829,482 as of 9/30/07 that is available for projects.

**Torrance Public Financing Authority Debt Service Fund**  
Statement of Revenues, Expenditures and Changes in Fund Balances  
For First Quarter ended September 30, 2007 25.2% Expired

**Schedule R**

	1998 Certificates of Participation 10.3m Refunding	2004 A&B Certificates of Participation 43.13m Refunding	Total
Revenues:			
Use of money and property:			
Investment Earnings	\$ —	\$ —	\$ —
Rental Income	—	—	—
<b>Total revenues</b>	—	—	—
Expenditures:			
Administration	—	—	—
Bond and other loan principal	—	—	—
Bond and other loan interest	—	—	—
Other	—	—	—
<b>Total expenditures</b>	—	—	—
<b>Excess (deficiency) of revenues over expenditures</b>	—	—	—
Other financing sources (uses):			
Operating transfers out	—	—	—
Operating transfers in	—	—	—
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	—	—	—
<b>Fund balances, July 1, 2007</b>	553,416	2,781,174	3,334,590
<b>Fund balances, September 30, 2007</b>	\$ 553,416	(A) \$ 2,781,174	(A) \$ 3,334,590

(A) Represents required bond reserves held with the fiscal agent.

## Schedule S

### Skypark Redevelopment Debt Service Fund Statement of Revenues & Expenditures - Budget to Actual For First Quarter Ended September 30, 2007 - 25.2% Expired

	Budget	Actual	% of Budget	2007 Year-to-date Actual W/O Enc.	2007 Budget % W/O Enc.
Revenues:					
Property taxes	\$ 581,339	\$ —	(A) 0.0%	\$ —	0.0%
Use of money and property	3,000	1,115	(D) 37.2%	2,879	96.0%
<b>Total revenues</b>	<b>584,339</b>	<b>1,115</b>	<b>0.2%</b>	<b>2,879</b>	<b>0.4%</b>
Expenditures:					
Administration	8,570	—	(B) 0.0%	—	0.0%
Bond and other loan principal	469,591	350,643	(C) 74.7%	121,942	49.0%
Bond and other loan interest	128,274	71,150	(C) 55.5%	81,100	51.5%
<b>Total expenditures</b>	<b>606,435</b>	<b>421,793</b>	<b>69.6%</b>	<b>203,042</b>	<b>49.0%</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(22,096)</b>	<b>(420,678)</b>	<b>1903.9%</b>	<b>(200,163)</b>	<b>-85.6%</b>
Other financing sources (uses):					
Operating transfers out - Low-Mod Housing Fund	(116,268)	—	(A) 0.0%	—	0.0%
<b>Total other financing sources (uses)</b>	<b>(116,268)</b>	<b>—</b>	<b>0.0%</b>	<b>—</b>	<b>0.0%</b>
<b>From Fund Balance</b>	<b>138,364</b>	<b>420,678</b>	<b>N/A</b>	<b>200,163</b>	<b>N/A</b>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	<b>\$ —</b>	<b>\$ —</b>	<b>N/A</b>	<b>\$ —</b>	<b>0.0%</b>

- (A) The bulk of tax increments are normally received in December and April. The amount of the operating transfers to Low-Mod Housing are directly proportional to the amount of property tax increment received.
- (B) Bond admin costs are paid in December.
- (C) Bond principal and interest are paid semi-annually on July 1 and January 1. Additional principal payment was made during the quarter in the amount of \$236,270.
- (D) Actual amount includes interest accrual for prior year which is reversed in June 2008.

## Schedule S-1

**Downtown Redevelopment Debt Service Fund**  
Statement of Revenues & Expenditures - Budget to Actual  
For First Quarter Ended September 30, 2007 - 25.2% Expired

	Budget	Actual	% of Budget	2007 Year-to-date Actual W/O Enc.	2007 Budget % W/O Enc.
<b>Revenues:</b>					
Property taxes	\$ 1,778,833	\$ — (D)	0.0%	\$ —	0.0%
Use of money and property	20,000	22,832 (A)	114.2%	18,021	45.1%
<b>Total revenues</b>	<b>1,798,833</b>	<b>22,832</b>	<b>1.3%</b>	<b>18,021</b>	<b>1.0%</b>
<b>Expenditures:</b>					
Administration	34,272	— (E)	0.0%	1,903	5.7%
Bond and other loan principal	180,000	180,000 (B)	100.0%	175,000	100.0%
Bond and other loan interest	1,425,635	287,084	20.1%	297,029	20.3%
Other	1,011,626	— (D)	0.0%	—	0.0%
<b>Total expenditures</b>	<b>2,651,533</b>	<b>467,084</b>	<b>17.6%</b>	<b>473,932</b>	<b>17.8%</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(852,700)</b>	<b>(444,252)</b>	<b>52.1%</b>	<b>(455,911)</b>	<b>51.7%</b>
<b>Other financing sources (uses):</b>					
Operating transfers out - Low Mod Housing	(355,767)	— (D)	0.0%	—	0.0%
Advances from county deferred share	1,470,420	— (C)	0.0%	806,692	56.4%
<b>Total other financing sources (uses)</b>	<b>1,114,653</b>	<b>—</b>	<b>0.0%</b>	<b>806,692</b>	<b>74.6%</b>
<b>From Fund Balance</b>	<b>—</b>	<b>444,252</b>	<b>N/A</b>	<b>—</b>	<b>N/A</b>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	<b>\$ 261,953</b>	<b>\$ —</b>	<b>0.0%</b>	<b>\$ 350,781</b>	<b>176.4%</b>

- (A) Actual amount includes interest accrual for prior year which is reversed in June 2008.  
 (B) Bond principal is paid annually on Sept 1; Interest is paid on Sept 1 and March 1.  
 (C) County pass-through is received towards the end of the fiscal year.  
 (D) The bulk of tax increments are normally received in December and April. The amount of the County pass-thru (shown as "other" above) and the amount of the operating transfers to Low-Mod Housing are directly proportional to the amount of incremental property tax received.  
 (E) Bond admin cost is expected to be paid in future months.

## Schedule S-2

### Industrial Redevelopment Debt Service Fund

Statement of Revenues & Expenditures - Budget to Actual  
For First Quarter Ended September 30, 2007 - 25.2% Expired

	Budget	Actual	% of Budget	2007 Year-to-date Actual W/O Enc.	2007 Budget % W/O Enc.
Revenues:					
Sales tax	\$ 2,288,880	\$ 601,358	26.3%	\$ 240,500	10.7%
Property tax Flip	795,675	— (B)	0.0%	—	0.0%
Property taxes	3,979,053	— (A)	0.0%	—	0.0%
Use of money and property	175,000	64,441 (E)	36.8%	64,965	37.1%
<b>Total revenues</b>	<b>7,238,608</b>	<b>665,799</b>	<b>9.2%</b>	<b>305,465</b>	<b>4.3%</b>
Expenditures:					
Administration	79,070	2,279 (C)	2.9%	2,332	3.0%
Bond and other loan principal	1,850,000	1,102,000 (D)	59.6%	785,000	100.0%
Bond and other loan interest	1,465,559	743,404 (D)	50.7%	763,029	50.7%
Other	1,007,945	— (A)	0.0%	—	0.0%
<b>Total expenditures</b>	<b>4,402,574</b>	<b>1,847,683</b>	<b>42.0%</b>	<b>1,550,361</b>	<b>46.2%</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>2,836,034</b>	<b>(1,181,884)</b>	<b>141.7%</b>	<b>(1,244,896)</b>	<b>-33.0%</b>
Other financing sources (uses):					
Operating transfers in	1,000,000	252,000	25.2%	—	N/A
Operating transfers out - General Fund	(3,084,555)	(777,308)	25.2%	(460,100)	21.4%
Operating transfers out - Low Mod Housing	(795,811)	— (A)	0.0%	—	0.0%
<b>Total other financing sources (uses)</b>	<b>(2,880,366)</b>	<b>(525,308)</b>	<b>18.2%</b>	<b>(460,100)</b>	<b>15.7%</b>
<b>From Fund Balance</b>	<b>44,332</b>	<b>1,707,192</b>	<b>N/A</b>	<b>1,704,996</b>	<b>N/A</b>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	<b>\$ —</b>	<b>\$ —</b>	<b>N/A</b>	<b>\$ —</b>	<b>N/A</b>

- (A) The bulk of tax increments are normally received in December and April. The amount of the County pass-thru (shown as "other" above) and the amount of the operating transfers to Low-Mod Housing are directly proportional to the amount of incremental property tax received.
- (B) This is remitted by the State and deposited by the General Fund on a quarterly basis.
- (C) Bond admin costs are paid in December.
- (D) Bond principal is paid Sept 1. Interests are paid every September 1 and March 1.
- (E) Actual amount includes interest accrual for prior year which is reversed in June 2008.

**HOUSING AUTHORITY OF THE CITY OF TORRANCE (HA) Schedule T**  
**STATEMENT OF REVENUE AND EXPENSES - BUDGET TO ACTUAL**  
**FOR FIRST QUARTER ENDED SEPTEMBER 30, 2007 25.2% EXPIRED**

	Annual Budget	Year-to-Date Actual Without Enc.	Budget % Without Enc.	2007 Year-to-date Actual Without Enc.	2007 Budget % Without Enc.
Revenues:					
Use of money and property	\$ 32,000	\$ 15,767 (A)	49.3%	\$ 9,044	90.4%
Section 8 Voucher Program - HUD	4,641,000	1,317,136	28.4%	1,177,481	21.9%
Administration Fees Earned	—	58	NA	—	0.0%
<b>Total revenues</b>	<b>4,673,000</b>	<b>1,332,961</b>	<b>28.5%</b>	<b>1,186,525</b>	<b>22.1%</b>
Expenditures:					
Current:					
Salaries & Benefits	396,500	104,446	26.3%	122,334	20.3%
Materials & Supplies	13,020	1,751 (B)	13.4%	2,469	19.0%
Rental Assistance Payments	4,500,000	1,154,795	25.7%	1,073,691	22.3%
Professional Technical	26,023	5,253 (B)	20.2%	3,740	15.0%
City Charges	82,919	21,561	26.0%	24,968	21.8%
Other	5,000	— (B)	NA	1,491	29.8%
Capital outlay	17,800	— (B)	NA	—	NA
<b>Total expenditures</b>	<b>5,041,262</b>	<b>1,287,806</b>	<b>26.0%</b>	<b>1,228,693</b>	<b>22.0%</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(368,262)</b>	<b>45,155</b>	<b>112.3%</b>	<b>(42,168)</b>	<b>19.4%</b>
Operating transfers out	(2,711)	— (C)	NA	(300)	21.4%
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	<b>(370,973)</b>	<b>45,155</b>	<b>112.2%</b>	<b>\$ (42,468)</b>	<b>19.4%</b>
<b>Fund balances, July 1, 2007</b>	<b>1,445,954</b>	<b>1,445,954 (D)</b>	<b>100.0%</b>		
<b>Fund balances, June 30, 2007</b>	<b>\$ 1,074,981</b>	<b>\$ 1,491,109</b>	<b>138.7%</b>		

- (A) Investment Earnings are higher than anticipated. The U.S. Department of Housing and Urban Development (HUD) has changed the way they collect data; the year-end settlements have been replaced by quarterly reports. Due to the uncertainty of future interest earnings the 2007 budget of \$10,000 was increased slightly to \$32,000 for this year.
- (B) Due to budget constraints from HUD for administrative revenue the Housing Authority has not fully utilized the operating expenditure budget for discretionary costs.
- (C) HUD requires all of the expenditures be charged directly to the Housing Authority and doesn't allow charges to the City's replacement funds. The budget in future years will be removed and costs will be expensed to the Housing Authority as they are incurred.
- (D) As of July 1, \$1,424,268 of the fund balance shown is for HAP Reserve, the other \$21,686 is for Administration Fee Reserve.



## Schedule U

## Selected Special Revenue Funds

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances

For First Quarter Ended, September 30, 2007 - 25.2% Expired

	*Parks and Recreation Facilities Fund	*Seismic Education Fund	Workforce Investment Network Fund	Street Lighting Assessment Fund
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 90,510
Fines, forfeitures and penalties	-	-	-	-
Use of money and property	8,096	534	-	-
Intergovernmental	16,500	-	-	-
Other	-	-	-	-
<b>Total revenues</b>	<b>24,596</b>	<b>534</b>	<b>-</b>	<b>90,510</b>
Expenditures:				
Current:				
Salaries & Benefits	-	-	2,355	123,567
Materials and Services	-	-	15,136	51,780
Professional Technical	-	-	2,785	253,527
City Charges	-	-	4,392	-
Other	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>24,668</b>	<b>428,874</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>24,596</b>	<b>534</b>	<b>(24,668)</b>	<b>(338,364)</b>
Other financing sources (uses):				
Operating transfers in	-	-	-	338,364
Operating transfers out	-	-	-	-
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	<b>24,596</b>	<b>534</b>	<b>(24,668)</b>	<b>-</b>
<b>Fund balances (deficits), July 1, 2007</b>	<b>1,301,812</b>	<b>24,682</b>	<b>-</b>	<b>384,525</b>
<b>Fund Balances (deficits), September 30, 2007</b>	<b>\$ 1,326,408</b>	<b>\$ 25,216</b>	<b>\$ (24,668)</b>	<b>\$ 384,525</b>

\* This fund does not have an annually adopted budget, but is budgeted over two or more years using a project budget. Therefore, this fund does not appear in the preceding "Expenditure Summary - Budget to Actual - All Funds with Annually Adopted Budgets" Schedules.

\*\* While this fund is budgeted with a project budget, a portion of the budget is included in the Adopted Budget. This portion, which pertains to operating transfers out to the General Fund, is shown on the preceding "Expenditure Summary - Budget to Actual - All Funds with Annually Adopted Budgets" Schedules.

## Continued

Drainage Improvement Fund	*Parks Rehabilitation and Open Space Fund	*Proposition C Fund	*Bicycle Transportation Fund	Underground Storage Tank Fund	**State Gas Tax Street Improvement Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	29,493	57,440	63	-	74,739
-	60,225	314,082	-	-	231,221
-	-	-	-	-	-
-	89,718	371,522	63	-	305,960
-	-	-	-	-	47,784
-	-	-	-	-	-
-	35,238	2,795	-	-	204,272
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	35,238	2,795	-	-	252,056
-	54,480	368,727	63	-	53,904
-	411,320	-	-	-	2,590,000
-	(537,770)	(87,771)	-	-	(2,801,630)
-	(71,970)	280,956	63	-	(157,726)
19,318	2,550,564	4,543,265	-	1,500	6,435,396
\$ 19,318	\$ 2,478,594	\$ 4,824,221	\$ 63	\$ 1,500	\$ 6,277,670

(Continued)

**Schedule U-Continued**

**Selected Special Revenue Funds**

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances

For First Quarter Ended, September 30, 2007 - 25.2% Expired

	<b>Meadowpark Parking Lot District Fund</b>	<b>*Police Inmate Welfare Fund</b>	<b>*Grants and Donations Fund</b>	<b>Federal Housing and Community Development Fund</b>
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Fines, forfeitures and penalties	-	-	-	-
Use of money and property	-	906	6,481	-
Intergovernmental	-	-	165,043	-
Other	-	2,181	24,554	-
<b>Total revenues</b>	-	3,087	196,078	-
Expenditures:				
Current:				
Salaries & Benefits	-	-	94,246	-
Materials and Services	-	-	5,942	-
Professional Technical	4,212	-	310,829	-
City Charges	-	-	-	-
Other	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	4,212	-	411,017	-
<b>Excess (deficiency) of revenues over expenditures</b>	(4,212)	3,087	(214,939)	-
Other financing sources (uses):				
Operating transfers in	-	-	-	9,300
Operating transfers out	-	-	-	-
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	(4,212)	3,087	(214,939)	9,300
<b>Fund balances (deficits), July 1, 2007</b>	30,213	76,826	829,638	629,956
<b>Fund Balances (deficits), September 30, 2007</b>	\$ 26,001	\$ 79,913	\$ 614,699	\$ 639,256

\* This fund does not have an annually adopted budget, but is budgeted over two or more years using a project budget. Therefore, this fund does not appear in the preceding "Expenditure Summary - Budget to Actual - All Funds with Annually Adopted Budgets" Schedules.

Continued

*Asset Forfeiture Fund	*Geologic Hazard Abatement Fund	*El Camino Training Fund	*Prop 42 Traffic Congestion Relief Fund	DNA Sampling Fund	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 90,510
11,500	-	-	-	-	11,500
35,788	-	-	8,164	-	221,704
-	-	-	-	-	787,071
601	-	20,800	-	810	48,946
47,889	-	20,800	8,164	810	1,159,731
-	-	-	-	-	267,952
11,724	-	-	-	-	84,582
77,277	-	-	-	-	890,935
-	-	-	-	-	4,392
(365)	-	4,000	-	-	3,635
-	-	-	-	-	-
88,636	-	4,000	-	-	1,251,496
(40,747)	-	16,800	8,164	810	(91,765)
56,749	-	-	568,090	-	3,973,823
(56,749)	-	-	(568,090)	-	(4,052,010)
(40,747)	-	16,800	8,164	810	(169,952)
3,236,987	14,317	448,088	639,833	6,570	21,173,490
\$ 3,196,240	\$ 14,317	\$ 464,888	\$ 647,997	\$ 7,380	\$ 21,003,538

## Schedule V

### **CABLE & COMMUNITY RELATIONS/PUBLIC ACCESS**

#### **BALANCE SHEET** **September 30, 2007**

	<u><b>Cable &amp; Community Relations</b></u> <u><b>September 30, 2007</b></u>	<u><b>Public Access</b></u> <u><b>September 30, 2007</b></u>	<u><b>Total</b></u>
<b>ASSETS</b>			
Pooled cash and investments	\$ 1,196,237	\$ 37,730	\$ 1,233,967
Accrued interest receivable	23,880	-	23,880
Prepayments	511	-	511
<b>Total Assets</b>	<b>\$ 1,220,628</b>	<b>\$ 37,730</b>	<b>\$1,258,358</b>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Current Liabilities</b>			
Accounts payable	\$ 3,709	-	\$ 3,709
Accrued salaries and benefits	127,187	-	127,187
<b>Total Liabilities</b>	<b>130,896</b>	<b>-</b>	<b>130,896</b>
<b>Fund Balance</b>			
Reserved		8,365 (A)	8,365
Unreserved	1,089,732	29,365	1,119,097
<b>Total Fund Balance</b>	<b>1,089,732</b>	<b>37,730</b>	<b>1,127,462</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 1,220,628</b>	<b>\$ 37,730</b>	<b>\$1,258,358</b>

(A) Amount used to balance 2007-08 budget

## Schedule V-1

**CABLE & COMMUNITY RELATIONS****STATEMENT OF REVENUES AND EXPENSES-BUDGET TO ACTUAL  
FOR FIRST QUARTER ENDED SEPTEMBER 30, 2007 - 25.2% EXPIRED**

	<b>Annual Budget</b>	<b>Year-To-Date Actual Without Enc.</b>	<b>Budget % Without Enc.</b>	<b>2007 Year-To-Date Actual Without Enc.</b>	<b>2007 Budget % Without Enc.</b>
<b>OPERATING REVENUES</b>					
Franchise Fees	\$ 1,400,000	\$ - (A)	0.0%	\$ -	0.0%
Miscellaneous	48,600	4,353	9.0%	3,421	11.4%
<b>Total Operating Revenues</b>	<b>1,448,600</b>	<b>4,353</b>	<b>0.3%</b>	<b>3,421</b>	<b>0.3%</b>
<b>OPERATING EXPENSES:</b>					
Salaries and employee benefits	846,422	173,995 (B)	20.6%	148,219	19.7%
Materials and supplies	46,163	6,751	14.6%	5,580	12.9%
Other professional services	71,822	13,815	19.2%	14,947	24.3%
Interdepartmental charges	56,629	14,271	25.2%	10,803	21.4%
Capital Outlay	51,688	11,166	21.6%	-	0.0%
Litigation and claims	8,594	1,100 (C)	12.8%	934	10.9%
Other	8,500	616	7.2%	3,701	43.5%
<b>Total Operating Expenses</b>	<b>1,089,818</b>	<b>221,714</b>	<b>20.3%</b>	<b>184,184</b>	<b>19.2%</b>
<b>OPERATING INCOME (LOSS)</b>	<b>358,782</b>	<b>(217,361)</b>	<b>-160.6%</b>	<b>(180,763)</b>	<b>-138.3%</b>
<b>NON-OPERATING REVENUES</b>					
Interest income - Operations	50,000	24,996 (D)	50.0%	15,138	43.3%
<b>Total Non-Operating Revenues</b>	<b>50,000</b>	<b>24,996</b>	<b>50.0%</b>	<b>15,138</b>	<b>43.3%</b>
<b>Income (Loss) before transfers</b>	<b>408,782</b>	<b>(192,365)</b>	<b>-147.1%</b>	<b>(165,625)</b>	<b>-131.8%</b>
<b>OPERATING TRANSFERS OUT</b>	<b>(370,294)</b>	<b>(282,789) (E)</b>	<b>76.4%</b>	<b>(35,208)</b>	<b>21.4%</b>
<b>FROM FUND BALANCE</b>	<b>N/A</b>	<b>475,154</b>	<b>N/A</b>	<b>200,833</b>	<b>N/A</b>
<b>NET INCOME (LOSS)</b>	<b>\$ 38,488</b>	<b>\$ -</b>	<b>N/A</b>	<b>\$ -</b>	<b>N/A</b>

(A) Franchise fees are received within 20 days after the end of each quarter. Fees for first quarter are due 10/20/07.

(B) Vacancies include one Announcer and one Production Assistant.

(C) There were no liability claims as of 9/30/07.

(D) Interest earnings are higher than anticipated due to a high cash balance.

(E) The amount of \$199,620 was transferred to Capital Projects.

The amount of \$78,049 was transferred to Cable TV Public Access to offset net loss.

***CABLE & COMMUNITY RELATIONS******STATEMENT OF CASH FLOWS  
FOR FIRST QUARTER ENDED SEPTEMBER 30, 2007******Cash flows from operating activities***

Operating loss	(217,361)
Adjustments to reconcile operating loss to net cash provided by operating activities	
Decrease in accounts receivable	369,860
Increase in accounts payable	3,708
(Decrease) in accrued liabilities	<u>(14,821)</u>

***Net cash provided by operating activities*** **\$141,386**

***Cash flows from investing activities***

Interest on investments	<u>24,996</u>
-------------------------	---------------

***Net cash provided by investing activities*** **24,996**

***Cash flows from non-capital financing activities***

Transfers-out	<u>(282,789)</u>
---------------	------------------

***Net cash used by non-capital financing activities*** **(282,789)**

***Net change in cash*** **(116,407)**

**Cash, and cash equivalents, July 1, 2007** **1,312,644**

**Cash and cash equivalents, September 30, 2007** **\$1,196,237**

## Schedule V-3

**CABLE TV - PUBLIC ACCESS****STATEMENT OF REVENUES AND EXPENSES-BUDGET TO ACTUAL  
FOR FIRST QUARTER ENDED SEPTEMBER 30, 2007 - 25.2% EXPIRED**

	<b>Annual Budget</b>	<b>Year-To-Date Actual Without Enc.</b>	<b>Budget % Without Enc.</b>	<b>2007 Year-To-Date Actual Without Enc.</b>	<b>2007 Budget % Without Enc.</b>
<b>OPERATING REVENUES</b>					
Cable TV access fees	\$ 173,000	- (A)	0.0%	\$ -	0.0%
TCTV workshops	412	510	123.8%	-	0.0%
Miscellaneous	2,500	745	29.8%	355	14.2%
<b>Total Operating Revenues</b>	<b>175,912</b>	<b>1,255</b>	<b>0.7%</b>	<b>355</b>	<b>0.2%</b>
<b>OPERATING EXPENSES:</b>					
Salaries and employee benefits	229,311	67,391	29.4%	49,065	21.4%
Materials and supplies	20,720	1,370 (B)	6.6%	535	2.7%
Other professional services	19,500	3,523	18.1%	4,286	30.0%
Interdepartmental charges	26,495	6,677	25.2%	5,418	21.4%
Capital Outlay	25,605	-	0.0%	-	0.0%
Litigation and claims	4,427	567 (C)	12.8%	481	10.9%
Other	3,100	711	22.9%	160	5.2%
<b>Total Operating Expenses</b>	<b>329,158</b>	<b>80,239</b>	<b>24.4%</b>	<b>59,945</b>	<b>18.6%</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(153,246)</b>	<b>(78,984)</b>	<b>51.5%</b>	<b>(59,590)</b>	<b>40.9%</b>
<b>Income (Loss) before transfers</b>	<b>(153,246)</b>	<b>(78,984)</b>	<b>51.5%</b>	<b>(59,590)</b>	<b>40.9%</b>
<b>OPERATING TRANSFERS IN</b>	<b>150,356</b>	<b>78,049 (D)</b>	<b>51.9%</b>	<b>32,176</b>	<b>21.4%</b>
<b>OPERATING TRANSFERS OUT</b>	<b>(5,475)</b>	<b>(1,379)</b>	<b>25.2%</b>	<b>(1,006)</b>	<b>21.4%</b>
<b>FROM FUND BALANCE</b>	<b>8,365</b>	<b>2,314</b>	<b>27.7%</b>	<b>28,420</b>	<b>N/A</b>
<b>NET INCOME (LOSS)</b>	<b>\$ -</b>	<b>-</b>	<b>N/A</b>	<b>\$ -</b>	<b>N/A</b>

(A) The first FY 07-08 semi-annual payment of \$86,500 is due in October 2007. The second payment in the amount of \$86,500 is due in January 2008.

(B) The Materials and Supplies budget is expected to be expended by fiscal year end.

(C) There were no liability claims as of 9/30/07.

(D) \$78,049 was transferred from Cable and Community Relations to offset net loss.



***CABLE TV - PUBLIC ACCESS******STATEMENT OF CASH FLOWS  
FOR FIRST QUARTER ENDED SEPTEMBER 30, 2007******Cash flows from operating activities***

Operating loss (\$78,984)

Adjustments to reconcile operating loss  
to net cash used by operating activities:(Decrease) in accrued liabilities (1,325)***Net cash used by operating activities*** (\$80,309)***Cash flows from non-capital financing activities***

Transfers in 78,049

Transfers out (1,379)***Net cash provided by non-capital financing activities*** 76,670***Net change in cash*** (3,639)**Cash, and cash equivalents, July 1, 2007** 41,369**Cash and cash equivalents, September 30, 2007** \$ 37,730

Schedule W

**ANIMAL CONTROL FUND**

**BALANCE SHEET**  
September 30, 2007

**September 30, 2007**

**ASSETS**

Pooled Cash and Investments	\$	55,557
Accounts Receivable		24,923
<b>Total Assets</b>	<b>\$</b>	<b>80,480</b>

**LIABILITIES AND FUND EQUITY**

**Current Liabilities**

Accounts Payable	\$	240
<b>Total Liabilities</b>		<b>240</b>

**Fund Equity**

Retained Earnings - Reserved	42,974	(A)
Retained Earnings	37,266	
<b>Total Fund Equity</b>	<b>80,240</b>	

<b>Total Liabilities and Fund Equity</b>	<b>\$</b>	<b>80,480</b>
--	-----------	---------------

(A) Amount used to balance 2007-08 budget.

**ANIMAL CONTROL FUND****STATEMENT OF REVENUES AND EXPENSES-BUDGET TO ACTUAL  
FOR FIRST QUARTER ENDED, SEPTEMBER 30, 2007 - 25.2% EXPIRED**

	<b>Annual Budget(A)</b>	<b>Year-To-Date Actual Without Enc.</b>	<b>Budget % Without Enc.</b>	<b>FY 2007 Year-To-Date Actual Without Enc.</b>	<b>FY 2007 Budget % Without Enc.</b>
<b>OPERATING REVENUES</b>					
Animal licenses/permits	\$ 245,000	\$ 48,599 (B)	19.8%	70,160	20.3%
<b>Total Operating Revenues</b>	<b>245,000</b>	<b>48,599</b>	<b>19.8%</b>	<b>70,160</b>	<b>20.3%</b>
<b>OPERATING EXPENSES:</b>					
Salaries and employee benefits	237,500	38,954 (C)	16.4%	45,035	19.5%
Other professional services	85,265	8,797 (D)	10.3%	11,597	13.1%
Training, travel and membership dues	12,000	4,164	34.7%	-	0.0%
Others-interdepartmental charges	15,209	3,833	25.2%	2,548	21.4%
<b>Total Operating Expenses</b>	<b>349,974</b>	<b>55,748</b>	<b>15.9%</b>	<b>59,180</b>	<b>17.2%</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(104,974)</b>	<b>(7,149)</b>	<b>6.8%</b>	<b>10,980</b>	<b>599.7%</b>
<b>FROM FUND BALANCE</b>	<b>42,974</b>	<b>- (E)</b>	<b>0.0%</b>	<b>-</b>	<b>N/A</b>
<b>OPERATING TRANSFERS IN</b>	<b>62,000</b>	<b>7,149 (E)</b>	<b>11.5%</b>	<b>-</b>	<b>N/A</b>
<b>NET INCOME (LOSS)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>N/A</b>	<b>\$ 10,980</b>	<b>599.7%</b>

(A) Annual budget includes prior year encumbrances budget of \$265.

(B) Revenue includes \$24,923 in FY06/07 accrued revenues that will be reversed in June 2008. The majority of license revenue comes from annual renewals in May and June.

(C) There has been a vacancy for an Animal Control Supervisor since July 2007.

(D) Professional services for animal care have been encumbered for an additional 50% of budget.

(E) Operating transfers in and use of fund balance are booked on an as needed basis.

**ANIMAL CONTROL FUND****STATEMENT OF CASH FLOWS  
FOR FIRST QUARTER ENDED, SEPTEMBER 30, 2007****Cash flows from operating activities**

Operating loss	\$ (7,149)
Adjustments to reconcile operating loss to net cash used by operating activities	
(Decrease) in accounts payable	<u>(6,261)</u>

**Net cash used by operating activities** \$ (13,410)

**Net change in cash** (6,261)

**Cash, restricted cash and cash equivalents, July 1, 2007** 61,818

**Cash, restricted cash and cash equivalents, September 30, 2007** \$ 55,557

***AIR QUALITY MANAGEMENT DISTRICT FUND*****BALANCE SHEET  
SEPTEMBER 30, 2007**

	<u>September 30, 2007</u>	
<b>ASSETS</b>		
Pooled Cash and Investments	\$	133,155
<b>Total Assets</b>	\$	<b>133,155</b>
<b>LIABILITIES AND FUND EQUITY</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$	-
<b>Total Liabilities</b>		<b>-</b>
<b>Fund Equity</b>		
Retained Earnings - Reserved		24,124 (A)
Retained Earnings - Unreserved		109,031
<b>Total Fund Equity</b>		<b>133,155</b>
<b>Total Liabilities and Fund Equity</b>	\$	<b>133,155</b>

(A) Represents amount used to balance FY07-08 budget

# Schedule X-1

## AIR QUALITY MANAGEMENT DISTRICT FUND

### Statement of Revenues & Expenditures-Budget to Actual

For First Quarter Ended September 30, 2007 - 25.2% Expired

	Budget	Actual	% of Budget	2007 Year-to-date Actual Without Enc.	2007 Budget % Without Enc.
Revenues:					
Use of money and property	\$ 3,000	\$ 1,361 (A)	45.4%	\$ 864	34.7%
Intergovernmental	162,000	— (B)	0.0%	—	0.0%
<b>Total revenues</b>	<b>165,000</b>	<b>1,361</b>	<b>0.8%</b>	<b>864</b>	<b>0.5%</b>
Expenditures:					
Current:					
Salaries & Benefits	41,904	11,954 (C)	28.5%	8,229	19.6%
Materials & Supplies	79,500	10,335 (D)	13.0%	6,984	8.8%
Professional Technical	67,720	15,120 (E)	22.3%	12,600	18.6%
<b>Total expenditures</b>	<b>189,124</b>	<b>37,409</b>	<b>19.8%</b>	<b>27,813</b>	<b>14.7%</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(24,124)</b>	<b>(36,048)</b>	<b>149.4%</b>	<b>(26,949)</b>	<b>111.7%</b>
Operating Transfers Out	—	—	N/A	—	N/A
From Fund Balance	24,124	24,124	100.0%	24,124	100.0%
<b>Excess (deficiency) of revenues over expenditures</b>	<b>\$ -</b>	<b>\$ (11,924)</b>	<b>N/A</b>	<b>\$ (2,825)</b>	<b>N/A</b>

- (A) Interest earnings are higher during the quarter due to higher cash balance and interest rates.  
 (B) The 1st Qtr revenue of approximately \$40,000 is expected to be received in November, 2007.  
 (C) Actual benefit charges from other departments are higher for the first quarter.  
 (D) Redemption of points for the incentive program are lower for the first quarter.  
 (E) Consultant invoice of \$2,520 for the week of September 15-30 has not been paid.

***VAN POOL/RIDESHARE FUND***  
***BALANCE SHEET***  
***September 30, 2007***

**ASSETS**

Pooled Cash and Investments	\$	275,579
Receivables -Miscellaneous		-
<b>Total Assets</b>	<b>\$</b>	<b>275,579</b>

**LIABILITIES AND FUND EQUITY****Current Liabilities**

Accrued Liabilities	\$	-
		-

**Fund Equity**

Retained Earnings - Unreserved	275,579
<b>Total Fund Equity</b>	<b>275,579</b>

<b>Total Liabilities and Fund Equity</b>	<b>\$</b>	<b>275,579</b>
--	-----------	----------------

# Schedule Y-1

**VANPOOL/RIDESHARE FUND**  
**STATEMENT OF REVENUES AND EXPENSES - BUDGET TO ACTUAL**  
*For First Quarter Ended September 30, 2007 - 25.2% Expired*

	Annual Budget	Year-to-Date Actual Without Enc.	Budget % Without Enc.	2007 Year-to-date Actual Without Enc.	2007 Budget % Without Enc.
<b>OPERATING REVENUES</b>					
Passenger Cash Fares	\$ 68,000	\$ 10,268	15.1% (A)	\$ 17,194	40.9%
<b>Total Operating Revenues</b>	68,000	10,268	15.1%	17,194	40.9%
<b>OPERATING EXPENSES</b>					
Salaries and employee benefits	63,765	16,842	26.4%	14,647	25.5%
Services and supplies	172,528	20,202	11.7% (B)	19,197	11.1%
Other professional services	3,600	-	0.0%	210	5.8%
Other	450	-	0.0%	-	0.0%
<b>Total Operating Expenses</b>	240,343	37,044	15.4%	34,054	14.6%
<b>OPERATING INCOME (LOSS)</b>	(172,343)	(26,776)	84.5%	(16,860)	8.8%
<b>OPERATING TRANSFERS IN</b>	154,900	39,035	25.2%	35,746	23.1%
<b>NET INCOME (LOSS)</b>	\$ (17,443)	\$ 12,259	170.3%	\$ 18,886	1414.7%

Note:

- (A) Part of September Cash fare of \$4,440 was booked on October 2nd. If received as of Sept. 30, the revenue would be at 21.5%  
(B) Actual expense on Incentive Program is only at 14% but has an encumbrance of \$17,190 and Vehicle Lease Rental is missing one month expense of \$6,109 but has an encumbrance of \$40,453.



**(THIS PAGE LEFT INTENTIONALLY BLANK)**



# **CITY OF TORRANCE INTEROFFICE COMMUNICATION**

**October 29, 2007**

**TO: Members of the Budget Review Team**

**FROM: Linda A. Santos, Law Office Administrator**

**SUBJECT: EXPLANATION OF 2006-2007 YEAR-END AND  
2007-08 1<sup>ST</sup> QUARTER VARIANCES – BUDGET VS. ACTUAL**

---

The City Attorney's Office met all budget expectations for year-end 2006-07 and first quarter 2007-08 periods.

**(THIS PAGE LEFT INTENTIONALLY BLANK)**



# **CITY OF TORRANCE INTER-OFFICE COMMUNICATION**

**DATE:** October 30, 2007

**TO:** Eric E. Tsao, Finance Director

**FR:** Sue Herbers, City Clerk

**RE:** ***EXPLANATION OF VARIANCES – TOTAL BUDGET VS. ACTUAL FOR  
YEAR ENDING 2006-07***

## **REVENUES**

### **General Fund**

No fluctuation comment is required.

## **EXPENDITURES**

### **General Fund**

#### **1. Salary and Employee Benefits – (101.3%, -\$9,017)**

Salary and benefits are over expended because of increased clerical assistance needed to provide coverage at the City's front lobby as well as the City Clerk's office. In the future, funds will be transferred from the Minute Secretary budget to supplement the clerical salaries.

# **CITY OF TORRANCE INTER-OFFICE COMMUNICATION**

**DATE:** October 30, 2007

**TO:** Eric E. Tsao, Finance Director

**FR:** Sue Herbers, City Clerk

**RE:** ***EXPLANATION OF VARIANCES – TOTAL BUDGET VS. ACTUAL FOR  
FIRST QUARTER 2007-08***

## **REVENUES**

### **General Fund**

No fluctuation comment is required.

## **EXPENDITURES**

### **General Fund**

No fluctuation comment is required.





# **CITY OF TORRANCE INTEROFFICE COMMUNICATION**

**DATE: October 25, 2007**

**TO:** Eric E. Tsao, Finance Director  
**FROM:** Aram Chaparyan, Assistant to the City Manager  
**SUBJECT:** Explanation of Variances – Total Budget vs. Actual Budget for Year Ending 2006-07

## **GENERAL FUND**

### **CITY COUNCIL**

- There are no variances to report for Year Ending 2006-07

### **CITY MANAGER**

- There are no variances to report for Year Ending 2006-07

## **AIRPORT**

### **NON AERONAUTICAL**

### **REVENUES**

**Character 4 - Use of Money and Property** (\$126,997) 84.66%

- Investment percentages up on short and long term investments exceeding projected investment earnings due to higher cash balances.

### **EXPENDITURES**

- There are no variances to report for Year Ending 2006-07

# **CITY OF TORRANCE INTEROFFICE COMMUNICATION**

**DATE: October 25, 2007**

**TO:** Eric E. Tsao, Finance Director

**FROM:** Aram Chaparyan, Assistant to the City Manager

**SUBJECT:** Explanation of Variances – Total Budget vs. Actual Budget for the 1<sup>st</sup> Quarter of 2007-08

## **GENERAL FUND**

### **CITY COUNCIL**

#### **EXPENDITURES**

**Training, Travel & Membership Dues** **-\$17,088** **34.8%**

- Memberships and dues are paid at the beginning of the year, therefore causing the variance. Memberships include the COG, SCAG, US Conference of Mayors and others. The account will balance out for the remainder of the year.

### **CITY MANAGER**

- There are no variances to report for the 1<sup>st</sup> Quarter of 2007-08

## **AIRPORT**

### **NON AERONAUTICAL**

#### **REVENUES**

- There are no variances to report for the 1<sup>st</sup> Quarter of 2007-08.

#### **EXPENDITURES**

**Fund 6003: Other Operating Transfers Out** **\$971,595** **40.6%**

- The \$900,000 transfer is for project I-92 – Under grounding of utilities on Skypark Drive. All funds have been transferred to the project causing the budget variance.

**CITY OF TORRANCE  
INTEROFFICE COMMUNICATION**

**DATE: October 30, 2007**

**TO:** Eric E. Tsao, Finance Director

**FROM:** Aram Chaparyan, Assistant to the City Manager

**SUBJECT:** Explanation of Variances – Total Budget vs. Actual Budget for the 1<sup>st</sup> Quarter of 2007-08

**CABLE COMMUNITY RELATIONS**

**EXPENDITURES**

- There are no variances to report for the 1<sup>st</sup> Quarter of 2007-08.

**REVENUES**

*Department Total: City Manager Taxes                      0%      (\$348,297)*

- The franchise fee for any quarter shall be due and payable on the twentieth (20<sup>th</sup>) day of the month next succeeding such quarter and shall be delinquent fifteen (15) day thereafter. Therefore, the first payment for this fiscal year is not due until October 20, 2007.

**PUBLIC ACCESS**

**EXPENDITURES**

- There are no variances to report for the 1<sup>st</sup> Quarter of 2007-08.

**REVENUES**

*Use of Money and Property    (\$43,596)*

- Payment from Time Warner cable is due on semi-annual installations on or before June 30 and December 31 of each year. The first payment will not appear until January 20, 2008.

# **CITY OF TORRANCE**

## **INTEROFFICE COMMUNICATION**

**DATE: October 24, 2007**

**TO: ERIC E. TSAO, FINANCE DIRECTOR**  
**FR: VIET HOANG, ACTING CIVIL SERVICE MANAGER**  
**CC: MARY GIORDANO, ASSISTANT CITY MANAGER**  
**ARAM CHAPARYAN, ASSISTANT TO THE CITY MANAGER**

**SUBJECT: EXPLANATION OF FIRST QUARTER 2007 – 08 VARIANCES**

---

Fund 1001 – General Fund

Department 48 – Civil Service

The Civil Service Division does not have any fluctuation comments to report for First Quarter of the 2007 – 2008 Fiscal Year.



# **CITY OF TORRANCE INTEROFFICE COMMUNICATION**

**October 29, 2007**

**TO: Members of the Budget Review Team**

**FROM: Linda M. Barnett, City Treasurer**

**SUBJECT: EXPLANATION OF 2006-2007 YEAR-END AND  
2007-08 1<sup>ST</sup> QUARTER VARIANCES – BUDGET VS. ACTUAL**

---

The City Treasurer's Office met all budget expectations for year-end 2006-07 and first quarter 2007-08 periods.

**(THIS PAGE LEFT INTENTIONALLY BLANK)**





# CITY OF TORRANCE

## INTER-OFFICE COMMUNICATION

**DATE:** October 22, 2007

**TO:** Eric E. Tsao, Finance Director

**FROM:** Richard Shigaki, Information Technology Director

**SUBJECT:** **EXPLANATION OF VARIANCES– TOTAL BUDGET VS. ACTUAL**  
**for the Fourth Quarter FY 2006-07 (ending June 30, 2007)**

### **EXPENDITURES**

*(From General Fund Operations Exp. Dept./Acct. 172)*

1)	Character 30 Salaries & Employee Benefits	94.9%	\$228,442
----	---	-------	-----------

Annual Microsoft software licensing costs are due the first month of each fiscal year creating a beginning year variance. The budget will be in balance at the end of the fiscal year.

2)	Character 45 Prof Services/Contracts & Utilities	94.9%	\$31,407
----	--	-------	----------

The variance was principally due to only 11 monthly CalNet phone bills (\$20,000 each) processed in FY 06-07. Additional surplus was from the Carson WiN closure in June (\$4,000), data center floor purchase (\$9,000) processed in FY 07-08 versus FY 06-07, and miscellaneous savings due to circuit cancellations and reduced usage costs (i.e., CalNet II).

3)	Character 50 Travel Training Membership Dues	62.4%	\$14,262
----	--	-------	----------

Busy staff schedules and daily responsibilities deterred some staff from attending training and meetings.

4)	Character 60 Liabilities and Other Insurance	43.4%	\$12,779
----	--	-------	----------

No small worker comp or job injury related claims were made during the year.

# **CITY OF TORRANCE INTER-OFFICE COMMUNICATION**

**DATE:** October 22, 2007  
**TO:** Eric E. Tsao, Finance Director  
**FROM:** Richard Shigaki, Information Technology Director  
**SUBJECT:** **EXPLANATION OF VARIANCES– TOTAL BUDGET VS. ACTUAL  
for the First Quarter FY 2007-08 (ending September 30, 2007)**

## **EXPENDITURES**

### **PROGRAM: DIRECTION AND CONTROL**

No variances.

### **PROGRAM: TELEPHONE SERVICES**

No variances.

### **PROGRAM: RADIO COMM REPLACEMENT FUND**

No variances.

### **PROGRAM: PC REPLACEMENT FUND**

1) Character 45 Prof Services/Contracts 46.4% (\$51,818.20)

Annual Microsoft software licensing costs are due the first month of each fiscal year creating a beginning year variance. The budget will be in balance at the end of the fiscal year.



**TO: Eric E. Tsao, Finance Director**

**FROM: Jeffery W. Gibson, Community Development Director**

**SUBJECT: Explanation of Revenue Variances - Total Budget vs. Actual for Year-End FY 2006-2007**

**Fund 1001 General Fund Revenues R01**

No variances to report

**Fund 2403 Section 8 Housing Vouchers Revenues R01**

**Character 000004 – Use of Money and Property (465.51% recognized, \$36,551 variance)**

Actual cash balance is higher than anticipated resulting in an increase in interest earnings. Interest earnings vary each period depending on the cash balance each month.

**Fund 4603 Downtown Revenues R01**

**Character 000013 – Other Financing Resources (0.0% recognized, \$426,301 variance)**

Additional advances were not needed during the year due to minimal project costs.

**Fund 4605 Low Mod Housing Revenues R01**

**Character 000004- Use of Money and Property (205.56% recognized, \$141,340 variance)**

Cash balance on investment earnings continued to increase due to minimal project activity during the year resulting in a decrease in use of materials and services.

**Fund 5401 Downtown Debt Service Revenues R01**

**Character 000001-Taxes (106.77% recognized, \$118,110 variance)**

Actual tax increments increased due to a higher assessed value than estimated amount during budget preparation. The amount of the County pass-through and the amount of the operating transfers to Low-Mod housing are directly proportional to the amount of incremental property tax received.

**Character 000004- Use of Money and Property (208.54% recognized, \$43,417 variance)**

Bond administrative costs are lower during the year.

TO: Eric E. Tsao, Finance Director

FROM: Jeffery W. Gibson, Community Development Director

SUBJECT: Explanation of Expenditure Variances - Total Budget vs. Actual for Year-End  
FY 2006-2007

**GENERAL FUND OPERATIONS**

No variances to report

**FUND 5401 DOWNTOWN DEBT SERVICE (EXTERNALLY FUNDED) 172**

**Character 45 - Professional Services/Contract & Utilities (107.5% expended, (\$76,154) variance)**

County pass through increased due to higher property tax increments during the year.

**Character 85 - Operating Transfers Out (107.2% expended, (\$25,146) variance)**

20% Low Mod Housing set-aside increased due to higher tax increments than anticipated.

**FUND 5403 INDUSTRIAL- PLAN-DEBT (EXTERNALLY FUNDED) 172**

**Character 85 - Operating Transfers Out (100.3% expended, (\$8,264) variance)**

20% Low Mod Housing set-aside increased due to higher tax increments than anticipated.

FISCAL YEAR: 2007-08

AS OF: 09/30/07

**TO: Eric E. Tsao, Finance Director**  
**FROM: Jeffery W. Gibson, Community Development Director**  
**SUBJECT: Explanation of Revenue Variances - Total Budget vs. Actual for  
1<sup>st</sup> Quarter FY 2007-2008**

**Fund 1001- General Fund**

None to report

**Fund 4605 Low Mod Housing Revenues**  
(RDA-Low Mod Housing)

**Operating Transfers In (0.0% recognized, \$1,267,846.00 variance)**

The tax increments will be received starting November to end of August of each year. For this reason, this character will remain underutilized until funds are received and recorded.

**Fund 5402 Skypark Debt Service Revenue**  
(Skypark- Debt Service)

**Taxes (0.0% recognized, \$581,339.00 variance)**

The bulk of tax increments are normally received in December and April.

**Fund 5401 Downtown Debt Service Revenue**  
(RDA-Downtown-Debt Service)

**Taxes (0.0% recognized, \$1,778,833.00 variance)**

The bulk of tax increments are normally received in December and April.

**Other Financing Sources (0.0% recognized, \$1,470,420.00 variance)**

County pass-through is received through the end of the fiscal year.

**Fund 5403 Industrial Debt Service Revenue R01**  
(RDA-Industrial-Debt Service)

**Taxes (9% recognized, \$6,462,249.56 variance)**

The bulk of tax increments are normally received in December and April.

**TO:** Eric E. Tsao, Finance Director

**FROM:** Jeffery W. Gibson, Community Development Director

**SUBJECT:** Explanation of Expenditure Variances - Total Budget vs. Actual for 1<sup>st</sup> Quarter FY 2007-2008

**GENERAL FUND OPERATIONS**

**Operating Transfers Out (62.0% expended, \$73,506.00 variance)**

Variance is due to a Council approved transfer to the Comprehensive Planning Division in the amount of \$95,000 on 8/21/07 to fund the Strategic Plan update and Housing Element of the General Plan (FEAP 366).

**FUND 5402 SKYPARK (EXTERNALLY FUNDED)**

(RDA-Skypark-Debt Service)

**Redevelopment – Debt Service**

**Interdepartmental Charges (71.0% expended, \$176,071.96 variance)**

Bond principal and interest are paid semi-annually on July 1<sup>st</sup> and January 1<sup>st</sup>. Additional principal payment was made during the quarter in the amount of \$236, 270

**FUND 5401 DOWNTOWN (EXTERNALLY FUNDED)**

(RDA-Downtown-Debt Service)

**Redevelopment – Debt Service**

**Interdepartmental Charges (65.9% expended, \$(235,745.41) variance)**

Bond principal is paid annually on Sept. 1<sup>st</sup>; interest is paid on Sept. 1<sup>st</sup> and March 1<sup>st</sup>.

**FUND 5403 INDUSTRIAL (EXTERNALLY FUNDED)**

(RDA-Industrial-Debt Service)

**Redevelopment – Debt Service**

**Interdepartmental Charges (56.0% expended, \$1,470,154.62 variance)**

Bond principal is paid Sept. 1<sup>st</sup>. Interests are paid every September 1<sup>st</sup> and March 1<sup>st</sup>.





# **CITY OF TORRANCE INTEROFFICE COMMUNICATION**

October 17, 2007

**TO: MEMBERS OF THE BUDGET REVIEW TEAM**

**FROM: NORM REEDER, ACTING COMMUNITY SERVICES DIRECTOR**

**SUBJECT: EXPLANATION OF 2006-2007 YEAR-END REVENUE  
VARIANCES – BUDGET VS. ACTUAL**

## **Library Services Division – General Fund (1001)**

**Character 000005 – Revenues from Other Agencies: [%, \$71,541]**

It is difficult to predict reimbursements from the State as the number of books borrowed by non-Torrance residents and the rate of reimbursement changes annually.

**Character 000006 – Charges for Services: [67.36%, (\$67,240)]**

Fines revenue is variable depending on how many items are kept overdue. Library fines realized \$125,102 (70.4% of the budgeted amount). There is probably a need to reset the budgeted amount to better reflect actual revenue levels.

**Character 000007 – Program Revenues: [134.76%, \$92,642]**

The revenue overage in this character is due to the popularity of the park and facility rentals. Many factors contribute to this category such as high quality park facilities, safety in public spaces, and good weather.

## **Recreation Services Division – Enterprise Fund (6902)**

**Character 000007 – Parks & Recreation Revenues: [97.76%, (\$68,598)]**

The shortage of revenue is attributed to a slow year of contract programming activity, Roller Hockey/ Batting Cage participation, and Adult Sports/Classes. However, Camps, Youth Special Interest Classes, and the Farmers Market are operating extremely well.

**Cultural Services Division – Enterprise Fund (6903)**

**Character 000007 – Cultural Services Program Revenues: [106.4% \$74,074]**

The increasing demand for cultural arts programs and classes (fee-offset) has allowed the Division to exceed 2007 revenue expectations. It is anticipated that this demand will remain strong through the next several years due to the excellent reputation of the City's arts programs with the local community.

**Character 000008 – Other Revenues: [%, \$39,591]**

Similar to Library and Recreation Services, the Cultural Services Division receives assistance from external organizations which makes it difficult to predict how much in donations will be received in any one year.

# **CITY OF TORRANCE INTEROFFICE COMMUNICATION**

October 17, 2007

**TO: MEMBERS OF THE BUDGET REVIEW TEAM**

**FROM: NORM REEDER, ACTING COMMUNITY SERVICES DIRECTOR**

**SUBJECT: EXPLANATION OF 2006-2007 YEAR-END EXPENDITURE VARIANCES -  
BUDGET VS. ACTUAL (Report 260)**

## General Fund (1001)

- Administrative Services Division
- Park Services Division
- Library Services Division

The expenditures for the Divisions of the Community Services Department funded by the General Fund came in under budget for 2006-2007. The Department achieved \$409,721 in savings (96.9% expenditure) to the City's General Fund. The significant savings categories are listed below:

### **Character 32 - Salaries and Benefit Reimbursement**

Administrative and Library Divisions staff vacancies and subsequent benefits have contributed to the under-expenditure.

Reimbursements from Streetscape (Pest Control Applicator and Sprinkler-Backflow Technician) may not have been fully charged based on the work needed and the work provided. Park Services provides work to Public Works upon request so there is no set figure for reimbursements as there is with flat rates.

### **Character 60 – Liabilities and Other Insurance**

The surplus is attributed to the conscious reduction of liable hazards within the City's parks and libraries, and ensuing lack of claims.

### **Character 82 – Reimbursement from Other**

The under-expenditure in reimbursements is reflected in the delayed start up of the Administrative Services Division.

### Enterprise Fund (69)

- Recreation Services Division (6902)

The expenditures for the Recreation Services Division of the Community Services Department funded by the Enterprise Fund came in under budget for 2006-2007. The Recreation Services Division saw salary savings in the Recurrent/Seasonal employee category. In an effort to provide excellent programs, the Division is finding that the attraction and retention of quality part-time staff is an issue.

- Cultural Services Division (6903): **[105.1%, (\$91,854)]**

For the Cultural Services Division, salary expenditures for recurrent/seasonal employees are higher than anticipated. The overage is attributed to increased part time salary expenditures to accommodate participant demand for cultural classes and programs. Salary savings in the Recreation Services Division's Recurrent/Seasonal Employees budget and class and program revenue offsets this over expenditure (the revenue is reflected in the Division's R01 report).

When the operating budgets of the Recreation and Cultural Service Divisions are combined under the Enterprise Fund (Fund 69), the expenditures for 2006-2007 came in under budget for 2006-2007. The Department achieved \$110,075 in savings (98.4% expenditure) to the City's Enterprise Fund.

# **CITY OF TORRANCE INTEROFFICE COMMUNICATION**

October 17, 2007

**TO: MEMBERS OF THE BUDGET REVIEW TEAM**

**FROM: NORM REEDER, ACTING COMMUNITY SERVICES DIRECTOR**

**SUBJECT: EXPLANATION OF 2007-2008 1<sup>st</sup> QUARTER REVENUE  
VARIANCES – BUDGET VS. ACTUAL**

## **Recreation Services Division – Enterprise Fund (6902)**

**Other Revenues: [18.5%, 173,974] Account 2400**

Transfers from General Fund have not occurred due to the continuing analysis being conducted by the Finance Department.

## **Cultural Services Division – Enterprise Fund (6903)**

**Other Revenues: [0.1%, \$203,557] Account 2400**

Transfers from General Fund have not occurred due to the continuing analysis being conducted by the Finance Department.

# **CITY OF TORRANCE INTEROFFICE COMMUNICATION**

October 17, 2007

**TO: MEMBERS OF THE BUDGET REVIEW TEAM**

**FROM: NORM REEDER, ACTING COMMUNITY SERVICES DIRECTOR**

**SUBJECT: EXPLANATION OF 2007-2008 1<sup>st</sup> QUARTER EXPENDITURE VARIANCES  
- BUDGET VS. ACTUAL**

## **Cultural Services Division – Enterprise Fund (6903)**

### **Materials Supplies and Maintenance [30.3%, (\$14,320)]**

Youth programming is busiest in the summer and this causes the materials and supplies to appear out of balance for the first half of the fiscal year. The accounts level out towards the end of the fiscal year.

### **Prof Services/Contracts & Utilities [54.2%, (\$155,775)]**

The Division typically spends a large portion of this budget during the summer programming season on agreements with production artists for City Showcases and youth performances.

In addition, the Summer Musical is the largest of the five Torrance Theater Company performances. Production costs for this show have been rising each year, and the Division attempts to cover those costs with savings from other program areas.

## COMMUNITY SERVICES DEPARTMENT 2007-08 OPERATIONAL CONCERNS

### ADMINISTRATIVE SERVICES

- **Credit Card Fees:** Credit card payments have become the most popular method of payment for recreation and cultural classes. The Department is considering adding a service fee to cover the costs associated with credit card payment and refund processing.
- **AYSO/TUSD Portable Toilets Increase:** The Community Services Department pays for portable toilets to be located at 13 TUSD school sites during the AYSO season (September-March). The rental costs, delivery costs, and tip over costs have gone up each year. In addition, the Park Rangers patrol the school sites on Saturdays and Sundays to make sure the toilets are in working order and have not been vandalized.

### LIBRARY SERVICES

- **Downloadable Library Materials:** Library users are requesting the ability to download materials such as music and electronic books to personal devices. These services require enhanced public computing capabilities, and additional subscriptions to services that provide licensed materials on electronic loan from a public library. As these services become more in demand, and more prevalent in use, the library risks falling behind in not offering popular materials in the formats requested by library users.
- **Library Meeting Room:** Library meeting room is heavily used. Sound system and electrical capacity are inadequate for multi-media programming and teleconferencing/videoconferencing needs. Staff is working with Michael Smith to upgrade the Katy Geissert Civic Center Library meeting room in conjunction with the main level remodel. Staff is also hoping to use the room for computer instruction, but would require funding to purchase 10 to 20 laptops and an additional wireless node to set up portable computer lab as needed. Partial funding for project may be provided from Library support groups but ongoing and replacement costs are associated with the project.
- **On-Line Homework Help:** Library staff wrote successful federally funded grant to deliver "Live Homework Help," an on-line program providing one-on-one homework assistance for youth, grades 4 through introductory college level, 7 days a week from 1:00 p.m. to 10:00 p.m. The three-year descending grant program is administered through the California State Library and requires increased matching funds from the local library jurisdiction. The Torrance Public Foundation voted to fund this year's match (25% of cost) and has indicated they are willing to raise money for the third year of the program (50% of cost). Year four requires the Library to become completely self-sustaining. At that time, the cost per year could be as high as \$28,000-\$30,000. While the Library will seek outside funding, it may not be able to generate ongoing support to sustain the program year after year. The Library will continue to promote and monitor a legislative remedy (e.g. AB1233). Use of the service is among the highest of all library electronic/database products and in the first year generated more than 2,000 sessions from local youth.

## **PARK SERVICES**

- **Utility Charges:** The cost and use of water may exceed budget this year and will likely exceed budget in the future because of increased park acreage and increased utility rates. The use of reclaimed water has reduced costs to some degree but those savings have been absorbed because of the Water Rate Reduction Budget Shift during the last FY.
- **Park Rehabilitation Costs:** Despite the recent influx of funding due to recent home developments the Park and Recreation Open Space and Facility Funds are becoming increasingly insufficient to rehabilitate the infrastructure of the Department's 47 parks and recreation facilities.
- **Increased utility costs, dump fees and fuel costs:** Utility costs and dump fees have increased significantly over the past several years causing the Division to exceed its budget in this category. Rising fuel costs will continue to be a concern.
- **New Facilities:** Adding park space and recreational facilities without increasing staffing levels to operate and maintain them leads to reduced service quality and degradation of the sites. Without budget or personnel to maintain the new facilities, the overall operation, appearance, and safety can be expected to decline.

## **RECREATION SERVICES**

- **TUSD Facility Use Fee Increases:** Charges for use of school facilities have surpassed the Division's building rental budget, particularly charges associated with the After School Club program.





# CITY OF TORRANCE

## INTER-OFFICE COMMUNICATION

DATE: October 23, 2007

TO: Eric E. Tsao, Finance Director

FR: Taylor Dulaney, Budget Manager

RE: ***EXPLANATION OF VARIANCES – TOTAL BUDGET VS. ACTUAL FOR  
YEAR ENDING 2006-07***

### **REVENUES**

#### **Street Lighting District**

No fluctuation comment is required.

### **EXPENDITURES**

#### **General Fund**

1. Salary and Benefit Reimbursements – Character 32 (84.0%, -\$107,282) (pg. 6)

Salary and benefits are under-reimbursed due to the direct charging of WIN by an Accountant, the vacancy of an Audit Manager, and not reimbursing for water billing contract administration.

2. Reimbursements from Other Funds – Character 82 (95.6%, \$17,106) (pg. 6)

Reimbursements for water utility billing services were under-reimbursed from Water, Sanitation, and Sewer Funds because postage costs were less than anticipated.

#### **Street Lighting District**

No fluctuation comment is required.

# **CITY OF TORRANCE INTER-OFFICE COMMUNICATION**

**DATE:** October 23, 2007

**TO:** Eric E. Tsao, Finance Director

**FR:** Taylor Dulaney, Budget Manager

**RE:** ***EXPLANATION OF VARIANCES – TOTAL BUDGET VS. ACTUAL FOR  
FIRST QUARTER 2007-08***

## **REVENUES**

### **Street Lighting District**

1. Taxes – (7.0%, -\$236,588)

Street Lighting Assessment receipts are recorded when they are received, which is on a semi-annual basis. The first major receipt from Los Angeles County is anticipated to be received in December.

## **EXPENDITURES**

### **General Fund**

No fluctuation comment is required.

### **Street Lighting District**

No fluctuation comment is required.



**CITY OF TORRANCE  
INTEROFFICE COMMUNICATION**

**DATE:** October 11, 2007

**TO:** Eric E. Tsao, Finance Director

**FROM:** Rick Bongard, Fire Chief

**SUBJECT:** Revenue Variances at the Department Level - Budget vs. Actual  
Year-End Fiscal Year 2006-07

***General Fund 1001***

**Character 2 – License, Fees and Permits (81.65%, -\$23,023)**

The budget for this account was overestimated. In fiscal year 2004-05, the city increased the budget for account 0202 Fire Permits to \$125,488, which was \$17,371 more than the FY03-04 budget set based on a fee study done by a consultant. In the past three years, actual collections were in the range of \$102,000 - \$109,000. The budget for FY2007-08 was adjusted to \$110,000.

**Character 6 – Charges for Services (88.76%, -\$141,694)**

The revenue at character 6 - Charges for Services is below the projected level mostly because of lower than estimated collections from the Annual Fire Inspection Fee. The budget for this fee was also overestimated; the actual revenue was below the budget in the last three years. The recognized revenue from Annual Fire Inspection fees for FY 06-07 is \$382,003 and constitutes 78% of the estimated budget. The budget for FY2007-08 was adjusted to \$400,000.

***Emergency Medical Services Enterprise Fund 6501***

**Character 6 – Charges for Services (119.83%, +\$185,133)**

The positive variance reflects higher than estimated collections from Paramedic Medical Facility fee (+\$60,185), Medical Resupply fee (+\$12,458), and Paramedic Advanced Life Support (ALS) Emergency Response and Transport fees (+\$112,490). The revenue from the Paramedic Medical Facility fee went up from last year by 19% as a result of increased paramedic responses to medical facilities (14%) and the annual fee adjustment with the CPI (5%).

The revenue from the ALS fees increased from last fiscal year by 6%. These fees are indexed to the Los Angeles County Allowable Ambulance Rates. In the FY06-07, they were adjusted twice – on 7/1/2006 and on 1/1/2007 – for a combined increase of 5%. The LA County Allowable Ambulance rates are increased every year effective July 1 through June 30 next year with the average of the transportation and medical portion of the CPI for All Urban Consumers, Western Region for the twelve-month period ending the last day of the prior month to February. Every other year (on odd years), the County conducts a survey of other counties' rates and, if LA County rates are lower, they adjust them effective January 1st. If LA County rates are higher or equal to the average rate of the other counties, there's no adjustment.

## **CITY OF TORRANCE INTEROFFICE COMMUNICATION**

**DATE:** October 11, 2007  
**TO:** Eric E. Tsao, Finance Director  
**FROM:** Rick Bongard, Fire Chief  
**SUBJECT:** **Expenditure Variances at the Department Level-- Budget vs. Actual  
Year-End Fiscal Year 2006-07**

***General Fund 1001***

No reportable variances: character expenditures were within their respective budget.

***Emergency Medical Services Enterprise Fund 6501***

No reportable variances: character expenditures were within their respective budget.

## **CITY OF TORRANCE INTEROFFICE COMMUNICATION**

**DATE:** October 11, 2007  
**TO:** Eric E. Tsao, Finance Director  
**FROM:** Rick Bongard, Fire Chief  
**SUBJECT:** Revenue Variances at the Department Level-- Budget vs. Actual  
First Quarter Fiscal Year 2007-08

### ***General Fund 1001***

No reportable variances.

### ***Emergency Medical Services Enterprise Fund 6501***

No reportable variances.

## **CITY OF TORRANCE INTEROFFICE COMMUNICATION**

**DATE:** October 16, 2007  
**TO:** Eric E. Tsao, Finance Director  
**FROM:** Rick Bongard, Fire Chief  
**SUBJECT:** Expenditure Variances at the Department Level-- Budget vs. Actual  
First Quarter Fiscal Year 2007-08

***General Fund 1001***

No reportable variances.

***Emergency Medical Services Enterprise Fund 6501***

No reportable variances.





**FISCAL YEAR:** 2006-2007

**AS OF:** 6/30/07

**TO:** Eric Tsao, Finance Director

**FROM:** Sheryl Ballew, General Services Director

**DATE:** October 19, 2007

**EXPLANATION OF VARIANCES – TOTAL BUDGET VS. ACTUAL**

**Cultural Arts Center – Revenues**

**Character 000007: Program Revenues**  
**(111.08% recognized, \$82,133)**

Combined totals for labor and miscellaneous revenue were greater than expected due to high levels of activity at the Center and CPI-W increases in rental rates.

**Fleet Services – Revenues**

**Vehicle Replacement Fund**

**Character 000004: Use of Money and Property**  
**(122.38% recognized, \$582,795)**

This character includes income generated from investment earnings, which were greater than anticipated during this fiscal year.

**Character 000008: Other Revenues**  
**(131.14% recognized, \$25,057)**

This character includes Gains from Disposal of Fixed Assets which is a process that occurs randomly throughout the year as surplus or obsolete vehicles are sent to auction or sold to the school district. As it happens, more vehicles or items of equipment were disposed of this year than originally anticipated.

**Fleet Services – Expenditures**

**Character 000030: Salaries & Employee Benefits**  
**(100.4% recognized, -\$11,539)**

Overtime and move-up salaries associated with vacancies and industrial leaves were higher than anticipated.

**FISCAL YEAR: 2007-08**

**AS OF: 9/30/07**

**TO:** Eric E. Tsao, Finance Director

**FROM:** Sheryl Ballew, General Services Director

**DATE:** October 19, 2007

**EXPLANATION OF VARIANCES – TOTAL BUDGET VS. ACTUAL – 1<sup>st</sup> Quarter 2007-08**

**Department 53 - General Services**

**Account Classification: Professional/Contract Services & Utilities**  
**(35.8% expended, -\$32,005.14)**

The overage is a result of the majority of the expenses for the Torrance Cultural Arts Center Foundation occurring during the first quarter this fiscal year. This includes a \$30,000 cash payment, in addition to in-kind support services. It is expected that professional service expenses will be in line with budget at fiscal year end.

**Department 57 - Fleet Services – Vehicle Replacement Fund**

**Revenues:**

**Account Classification – Gain-Disposal of Fixed Assets**  
**(0% recognized, -\$20,276.93)**

This character includes Gains from Disposal of Fixed Assets which is a process that occurs randomly throughout the year as surplus or obsolete vehicles are sent to auction or sold to the school district. As it happens, only one vehicle (not yet reflected in the books) has been disposed of thus far in the fiscal year. As purchases of new vehicles accelerate as expected in the next few months, this revenue should rise considerably.

**Department 61 – Hazardous Waste Program**

**Account Classification: Materials, Supplies, & Maintenance**  
**(63.3% expended, -\$13,102.03)**

The overage is a result of annual permits and taxes paid during the first quarter. It is expected that this account classification will be in line with budget at fiscal year end.

**Department 95 – Airport Aeronautical**

**Account Classification – Materials, Supplies & Maintenance  
(30.3% recognized, -\$16,959.38)**

Materials, Supplies & Maintenance is over budget due to a one time payment of \$27,572 to a consultant for design of the Airport Layout Plan (ALP), utilizing 8.3% of the Aeronautical budget.

**(THIS PAGE LEFT INTENTIONALLY BLANK)**



**CITY OF TORRANCE**  
**INTER-OFFICE COMMUNICATION**

**DATE: October 25, 2007**

**TO:** Eric E. Tsao, Finance Director  
**FROM:** Elaine M. Winer, Human Resources Director  
**SUBJECT:** Explanation of Variances –Budget Vs. Actual - Period 13, FY 2006-2007

**Org 4700000000 - General Fund Operations**

**Character 35 - Salaries & Employee Benefits (100.9%, \$20,929)**

This variance is due to the need to hire temporary staff to assist in meeting the increasing demand to conduct recruitments.

**Character 82 – Reimbursements From Other Fund (52.7%, -\$10,072)**

This variance is due to a decrease in the number drug tests conducted as mandated by the US Department of Transportation regulations that cover safety-sensitive employees. The Federal Transit Authority reduced the percentage of mandatory drug testing from 50% to 25% of covered FTA employees. Mandatory testing rates are subject to yearly change as determined by the US DOT.

**CITY OF TORRANCE  
INTER-OFFICE COMMUNICATION**

**DATE: October 25, 2007**

**TO:** Eric E. Tsao, Finance Director  
**FROM:** Elaine M. Winer, Human Resources Director  
**SUBJECT:** Explanation of Variances –Budget vs. Actual – First Quarter, FY 2007-2008

**Fund 7000 – Self Insurance**

**Account Classification – Liabilities, Settlements & Insurance (-\$604,779.92, 45.2%)**

This variance is partially due to the full payment of the excess liability insurance policy and the excess workers' compensation insurance policy that were made in the first quarter. The variance is also a result of higher than budgeted costs for claims over four-years old due to lifetime medical awards of aging retirees.





**FISCAL YEAR:** 2006-07

**AS OF:** 6/30/2007

**TO:** Eric E. Tsao, Finance Director

**FROM:** John J. Neu, Chief of Police

**DATE:** 29 October 07

**SUBJECT:** 2006-07 Year-End Revenue and Expenditure Variances

**REVENUES**

**1001 - General Fund Operations**

**Alarm Permit Fees (162.45% Recognized, \$55,289> Variance)**

This variance is under review.

**Revenues from Other Agencies (\$77,189 Variance)**

This variance is due to absence of a base budget and the uncertainty as to whether the Department would receive any reimbursement from the State of California for mandated training.

**Charges for Services (91.23% Recognized, <\$62,985> Variance)**

This variance is due to reduced false alarm billings and daily jail rental fees.

**4501 – Animal Control Fund**

**License, Fees and Permits (54.23% Recognized, <\$158,082> Variance)**

This variance is due to the Department's reliance upon voluntary renewal of pet licenses and reduced licensing enforcement due to a vacant position.

**EXPENDITURES**

No variances reported.

**FISCAL YEAR:** 2007-08

**AS OF:** 9/30/2007

**TO:** Eric E. Tsao, Finance Director

**FROM:** John J. Neu, Chief of Police

**DATE:** 29 October 07

**SUBJECT:** 2007-08 First Quarter Revenue and Expenditure Variances

**REVENUES**

**1001 - General Fund**

**Charges for Services (90% Recognized, <\$20,689> Variance)**

This variance is due to reduced false alarm billings and daily jail rental fees.

**4501 - Animal Control Fund**

**Licenses, Fees and Permits (20% Recognized, <\$12,500) Variance)**

Animal license sales have declined from previous years. License enforcement efforts are down due to a vacant position.

**EXPENDITURES**

**1007 - Computer Replacement Fund (84.7% Expired, <\$31,440> Variance)**

The variance is due to software licensing expenditures.

# CITY OF TORRANCE

## POLICE DEPARTMENT

**TO:** Eric E. Tsao, Finance Director

**FROM:** John J. Neu, Chief of Police

**DATE:** 29 October 07

**SUBJECT:** Operational Concerns

The Police Department is looking ahead at operational concerns that may have an impact on the current two-year operating budget.

### 2007-09 Operational Concerns

- Training and duty ammunition. Ammunition prices have doubled or trebled in the last few years, and prices continue to climb. The Department will seek Council approval to use asset forfeiture funds for the purchase of new secondary weapons (.223 rifles) and related ammunition. In addition, the Range budget could realize a shortfall of approximately \$25,000 for routine ammunition purchases.
- Consolidated Communications Staffing. Due to ongoing recruitment of Public Safety Dispatchers, the Communications Division continues to be staffed with Police Officers, resulting in higher labor costs.
- Increased network server and data transmission capacity. The implementation of new technology such as in-car video cameras and the new Public Safety Information System require data to be transmitted in greater amounts and at higher speeds than the Department's present infrastructure can accommodate. Estimated cost: \$100,000.
- Additional computer servers. The Department anticipates the need for new computer servers for the Public Safety Information System and digital media systems at a cost of \$130,000.
- Computer hardware replacement. The Computer Replacement Fund is expended almost entirely on software licensing such as to Microsoft. Additional funds are needed for hardware replacement. Estimated one-time cost to bring computer hardware current: \$150,000.
- Compound gates. The north and south security gates to the Police compound break down with increasing frequency and repairs are often ineffectual. The gates are in need of replacement.
- Trauma Support. There is an increase in contract professional services involving mandatory in-service training.

**(THIS PAGE LEFT INTENTIONALLY BLANK)**



FISCAL YEAR: 2006-07

AS OF: 06/30/07

**TO: Eric E. Tsao, Finance Director**

**FROM: Robert J. Beste, Public Works Director**

**DATE: October 24, 2007**

**SUBJECT: Explanation of Revenue Variances - Total Budget vs. Actual for Year-End FY 2006-2007**

**General Fund Operations Revenues R01**

**Character 000006 – Charges for Services (185.72% recognized, \$58,135 variance)**

Revenues reflect actual billing of shared traffic signal locations with various businesses in the City. Traffic and Lighting provides maintenance of these shared intersections and bills the businesses a flat annual rate for the maintenance. Budget was re-adjusted upward in the 06/07 fiscal year and will need to be re-adjusted again to reflect actual revenues being received for shared intersections.

**Sanitation-Wastewater Revenues R01**

**Character 000004 – Use of Money and Property (242.94% recognized, \$32,877 variance)**

Investment earnings increased due to higher interest rates and a higher Sanitation fund balance.

**Sanitation-Refuse Revenues R01**

**Character 000004 – Use of Money and Property (% recognized, (\$39,000) variance)**

The recycling sub-fund had a negative fund balance, which caused investment earnings to be negative.

**Character 000006-Charges for Services (109.45% recognized, \$609,764 variance)**

The increase in recognized revenue reflects an increase in both rubbish and 2<sup>nd</sup> container charges. Budget will need to be re-adjusted again to reflect actual revenues being received for refuse collection.

### **Sanitation-Recycling Revenues R01**

#### **Character 000006 – Charges for Services (108.32% recognized, \$120,627 variance)**

The increase in recognized revenue reflects an increase in Recycling billing fees collected. The 06/07 budget was adjusted upwardly, and the 07/08 budget will need to be readjusted to more closely reflect the billing fees collected. In addition, a California Beverage Container Redemption Check in the amount of \$60,723 was received from the State. Recycling Materials Sales Budget is over budgeted and needs to be readjusted downward to reflect actual recognized.

### **Sanitation-Waste Management Revenues R01**

#### **Character 000004 – Use of Money and Property (159.66% recognized, \$22,670 variance)**

Investment earnings increased due to higher interest rates and a higher Sanitation fund balance.

#### **Character 000006 – Charges for Services (124.52% recognized, \$145,408 variance)**

The positive variance increase reflects increases in private hauler fees collected, the 07/08 budget will need to be readjusted to more closely reflect private hauler fees collected.

### **Water Fund Revenues R01**

#### **Character 000004 – Use of Money and Property (115.44% recognized, \$66,404 variance)**

This item is 115.44% due to higher investment earnings derived from a higher interest rate. The Pooled Cash and Investments Balance for fiscal year 2006-2007 is \$10,252,502, which is \$1,369,180 less than the balance for fiscal year 2005-2006 - \$11,621,683. In addition, there is a \$6,907 repayment from the Redevelopment Agency.

#### **Character 000010 – Transit Revenues (56.46% recognized, (\$43,537) variance)**

This item is 56.46% of the budget due to lower than projected developer contribution. This account is used to collect reimbursement for installation and cost of meters installed by the Water Operations Division for contractors. A \$100,000 budget was projected based on prior year reimbursements. However, there now appears to be a change in the trend. In fiscal year 2005-2006 a total of \$83,565 was collected.

#### **Character 000011 – Water Revenues (108.14% recognized, \$67,965 variance)**

This item is 108.14% due to account 2344 – Engineering, Overhead and Inspections. While the actual exceeds budget by \$52,000, the actual for fiscal year 2006-2007 decreased by \$22,830 from fiscal year 2005-2006. The budget for Water Revenues was increased by \$74,916 for fiscal year 2006-2007 to closer align to budget.



**Character 000016 – Wholesale Water Sales (76.03% recognized, (\$225,441) variance)**

This item is 76.03% due to one of the meters that feed to California Water Services Company (CWSC) Rancho Dominguez District not operating for approximately four to five months. The meter has been repaired and is operating for the last month. CWSC's billing will be adjusted to reconcile charges.

CWSC's Brewer Desalter has been out of service since 2002 and CWSC is taking proportionally more deliveries of Municipal supplies. In addition to their desalter being out of service, Torrance Municipal water prices are lower than CWSC wholesale provider's (West Basin Municipal Water District) water prices. California Water Services Company has increased their purchases from Torrance for this reason. Sales to CWSC reflect non-recovered higher Metropolitan Water District (MWD) water costs. The Public Works Department is investigating renegotiating a contract with CWSC.

**Character 000019 – Recycled Water Sales (95.12% recognized, (\$101,893) variance)**

This item is 95.12% due to accounts 2260 – Recycled Sales Mobil and 2262 – Recycled-Landscape Irrigation. The budget for 2006-2007 was increased by \$213,329 to closer align to actual. However, Exxon-Mobil use of recycled water declined due to reconstruction at the refinery.

**Sewer Fund Revenues RO1**

**Character 000004 – Use of Money & Property (273.13% recognized, \$605,970 variance)**

This item is 273.13% due to accounts 0502 – Investment Earnings and 0504 Investment Advances. The budget for Investment Earnings was increased by \$170,000 to closer align with actual. The variance for Investment Earnings for fiscal year 2006-2007 is \$86,942 compared to \$167,067 for fiscal year 2005-2006. The 124.84% variance is due to a higher interest rate and a higher cash balance. The Pooled Cash and Investments Balance for the Sewer Fund as of June 30, 2006 was \$9,892,607 and as of June 30, 2007, the cash balance for the Sewer Fund was \$10,611,205. The \$519,028 amount in Interest Advances represents repayment from the Redevelopment Agency.

**Character 000006 – Charges for Services (113.17% recognized, \$224,145 variance)**

This item is 113.7% due to account 1270 – Sewer Charges. The budget for Sewer Charges was increased by \$248,000 to closer align to actual. The sewer rate increased by 5.3% in fiscal year 2006-2007; however, this accounts for approximately \$90,000 of the \$224,145 variance.

FISCAL YEAR: 2006-2007

AS OF: 10/08/07

TO: Eric E. Tsao, Finance Director

FROM: Robert J. Beste, Public Works Director

DATE: October 24, 2007

SUBJECT: Explanation of Variances – Year End FY 2006-2007

**GENERAL FUND OPERATIONS REPORT 172**

**Character 32 – Salaries & Benefit Reimbursement (73.9% expended, (\$655,485),**

This item is 73.9% of the budget due to four vacancies (Deputy Public Works Director, an Associate Engineer, a Survey Party Chief, and an Engineering Technician III); two Associate Engineers positions being vacant for three quarters of the fiscal year; a new Project Manager mistakenly charging directly to the incorrect Home Code; this problem has been corrected for the 2007-2008 fiscal year.

**Character 82 – Reimbursements from other funds (88.8 % expended, (\$89,617) variance)**

There are two programs (Airport Maintenance & Traffic Lighting) within the Public Works general fund that are fully reimbursed by the Airport Fund and Street Light Assessment District. Material reimbursements reflect actual expenditures during the 2006/07 fiscal year.

**SANITATION-REFUSE REPORT 172**

**Character 32 – Salaries & Benefit Reimb. (35% expended, (\$15,364) variance)**

This character is for the reimbursement of labor charges incurred for refuse removal at the City parks. Labor expenses for refuse service at City parks have been lower than projected and will need to be readjusted.

**SANITATION-WASTEMGMT 172**  
**(110.9% expended, (\$1,226) variance)**

**Character 55– Depreciation and Amortization (110.9% expended, (\$1,226) variance)**

Actual city depreciation was higher than projected. This was readjusted for fiscal year 07-8

**WATER FUND**

**No variances to report**

**SEWER FUND**

**No variances to report**

FISCAL YEAR: 2007-08

AS OF: 9/30/07

**TO:** Eric E. Tsao, Finance Director  
**FROM:** Robert J. Beste, Public Works Director  
**DATE:** October 24, 2006  
**SUBJECT:** Explanation of Revenue Variances - Total Budget vs. Actual for First Quarter FY 2007-2008

**GENERAL FUND OPERATIONS**

No variances to report

**Sanitation – Refuse Collection Budget vs Actual Revenues Report**

**Character 000004 – Use of Money and Property (-43.3% recognized, (\$26,709.17) variance)**

Variance is due to changes in the cash balances breakdown of the Sanitation sub-funds. Overall cash balance and interest revenue remain positive at 30.5% of overall budget.

**Water Fund Budget vs Actual Revenues Report**

No variances to report

**Sewer Fund Budget vs Actual Revenues Report**

**Character 000004 – Use of Money and Property (15% recognized, (\$34,500) variance)**

This item is 15% of the budget due to account 502 – Investment Earnings. It appears that interest has not been fully posted for this quarter.

FISCAL YEAR: 2007-2008

AS OF: 9/30/07

TO: Eric E. Tsao, Finance Director

FROM: Robert J. Beste, Public Works Director

DATE: October 24, 2006

SUBJECT: Explanation of Expenditure Variances - Total Budget vs. Actual for First Quarter FY 2007-2008

**GENERAL FUND OPERATIONS**

No variances to report

**SANITATION- Refuse Collection Budget vs Actual-By Dept & Accts-Exp**

Character 85 – Other Operating Transfers Out (99.6% expended, (\$164,227.14) variance)

This account is overspent due to a transfer of \$219,555 to the Material Res. Fund 1027 for the purchase of diesel particulate filters for our City refuse vehicles.

**Waste Management – AB939 Budget vs Actual-By Dept & Accts-Exp**

Character 45 – Professional Services/Contracts (37.6% expended, (\$10,520.37) variance)

This account is over spent through period 3 due to a number of professional/technical and contractual services agreements being initiated during the first quarter.

Character 60 – Liabilities & Other Insurance (72.8% expended, (\$35,691.28) variance)

Comprehensive Environmental Response Compensation & Liability Act (CERCLA) insurance is paid during the first quarter.

**WATER Budget vs Actual-By Dept & Accts-Exp**

Character 85 – Other Operating Transfers Out (97.7% expended, (\$764,366.28) variance)

This item is 97.7% due to a one-time transfer to the Water Capital Projects Fund. This expense is offset by related revenue in the Water Capital Projects Fund (6403).

**Sewer Fund – Budget vs Actual-By Dept & Accts-Exp**

Character 85 – Operating Transfers Out (90.2% recognized, (\$297, 547) variance)

This item is 90.2% due to a one-time transfer to the Sewer Capital Projects Fund. This expense is offset by related revenue in the Sewer Capital Projects Fund (6802).

**TO: Eric E. Tsao, Finance Director**  
**FROM: Robert J. Beste, Public Works Director**  
**DATE: October 23, 2007**  
**SUBJECT: 1<sup>st</sup> Quarter Organizational Update**

The following the Public Works Department first quarter organizational update:

**Streetscape**

1. Future Concerns – Increased maintenance requirements on newly developed landscaped areas, including but not limited to the Hawthorne Boulevard project and CIP projects. There will be a need for additional personnel and equipment to maintain these properties.

**Sanitation**

1. Statewide General Waste Discharge Requirements.

The State Water Resources Board adopted Statewide General Waste Discharge Requirements (WDR) on May 2, 2006. The intent of these new mandates is to reduce or eliminate sewer overflows. Statewide all sewer agencies will be reporting sewer spills electronically to the State Water Resources Board and the information will be available to the public online. Each agency is required to prepare a Sewer System Management Plan (SSMP) that describes, in detail, the City's current system program.

In the last few years Torrance has been experiencing about 20 sewer overflows per year. Indications are that overflows in excess of six or seven per year for our size system could attract attention from the Water Resources Board. In response to new National Pollution Discharge Elimination System (NPDES) mandates our field crews have taken on additional responsibilities including catch basin and storm drain trash interceptor cleaning. This has reduced the amount of crew time for normal maintenance of the sewer system. With crew time diverted to NPDES requirements and more stringent maintenance requirements coming out of the new WDR regulations, it is anticipated that our field crews will need 4 additional personnel in the near future in order to keep up with our sewer maintenance programs. The cost for the crews is \$84,800 per employee.

**Water**

1. If mandatory water rationing is imposed in Southern California, it would have several impacts on the Municipal Water Utility. The imposition of rationing in Southern California (also known as Allocation) would be imposed by the Metropolitan Water District, as result of major shortfalls in imported water supplies that MWD and its member agencies determine could not be made up from sources including diversions from storage reservoirs and/or water transfers from agricultural water agencies. Rationing (Allocation) would be primarily

enforced by severe water pricing penalties (triple rates) on agencies whose usage exceeds their baseline rationing allocation. This methodology was utilized during the 1991-92 drought when rationing was last implemented and was successful in cutting back usage above the 20% rationing target.

At this point, the earliest implementation of mandatory rationing would not occur prior until late winter (February-March 08), in order to assess the water situation in the major watersheds in Northern California and on the Colorado River Basin. If mandatory rationing is imposed the impact to Torrance Municipal Water (TMW) would be as follows:

- Re-activation of the City's Water Shortage Ordinance originally adopted in 1991 and implementation of various mandatory conservation measures contained in the ordinance, in accordance with the extent of the shortage. The City's conservation programs and information activities would be expanded from the current level of \$60,000 to about \$200,000.
- MWD's wholesale rates could increase by 50% to 100% above projected normal annual adjustments to compensate for lost revenues, as a result of cutbacks in imported water sales. Currently, it is projected that higher MWD wholesale rates would increase TMW rates to Municipal customers by 4-5% per year. The imposition of mandatory rationing by MWD could increase the pass through adjustment to our customers by 8-10%.
- Mandatory rationing would decrease Municipal water sales by the at least the rationing target, and result in a corresponding loss of revenues. At a 10% rationing level the net loss in retained earning is projected at approximately \$850,000 and at a 20% rationing level the net loss in projected retained earnings is approximately \$ 1,700,000. In order to compensate for this revenue loss, a temporary rate surcharge of between 6% (10% rationing) and 12% (20% rationing) would have to be imposed to keep the Water Revenue Fund whole. This surcharge would be in addition to the MWD pass through increase described above, and would remain in effect during the duration of the mandatory rationing period.
- A detailed Mandatory Rationing Contingency Plan will be developed in the next 4-6 weeks.



# **CITY OF TORRANCE**

## **INTEROFFICE COMMUNICATION**

**TO:** Budget Review Team

**FROM:** Kim Turner, Transit Director

**DATE:** October 25, 2007

**SUBJECT:** Explanation of End of Year Variances - Total Budget vs. Actual  
Recognized For FY 2006-07

### **REVENUES**

#### **FUND 6201 TRANSIT OPERATIONS**

The analysis of Revenue Report RO1 reflects three transit revenue character items that exceeded their budget revenue projections by 5% and \$20,000 for fiscal year 2006-2007.

Character 000004 Use of Money and Property (338.71% and \$95,485- R01, p. 83.

This character variance in sub-object 0502 reflects higher than anticipated investment earning on the transit fund balance account.

Character 000005 Revenues From Other Agencies (119.60% and \$1,203,454) – R01, p.83

This character variance is reflected in sub-object 0730 Transit- Staf.

Transit submitted its TDA/STA Claim and invoices for STA funding to the MTA on August 2, 2006. The payment for State Transportation Assistance (STA) Funds (sub-object 0730) is traditionally released mid-year through Metro after the efficiency test results are tabulated. In November, 2006 transit staff was directed by the MTA to amend its current TDA claim and invoice for additional STA funds being released by the state. Transit staff submitted a revised TDA/STA claim and invoice (\$1,203,454) to the MTA on December 5, 2006.

Character 000010 Transit Revenue (105.34% and \$647,325)-R01, p. 84.

This character variance is explained in sub-object #2127 "Contributed Capital Received" (\$630,704) which reflects capital funding that was received but not budgeted for. The city is required by federal GASB regulations to account for all revenue received from capital purchases.



**CITY OF TORRANCE**  
**INTEROFFICE COMMUNICATION**

**TO:** Budget Review Team

**FROM:** Kim Turner, Transit Director

**DATE:** October 25, 2007

**SUBJECT:** Explanation of End of Fiscal Year Variances - Total Budget vs. Actual  
Recognized For FY 2006-07.

**EXPENDITURES**

The analysis of Report 172, pages 197-206 reflects that there was no transit expenditure at the character level which exceeded the budget at end of the fiscal year 2006-2007.

**CITY OF TORRANCE**  
**INTEROFFICE COMMUNICATION**

**TO:** Budget Review Team

**FROM:** Kim Turner, Transit Director

**DATE:** October 25, 2007

**SUBJECT:** Explanation of End of Year Variances - Total Budget vs. Actual  
Recognized For FY 2006-07

**EXPENDITURES**

**MAX (Municipal Area Express)**

The analysis of Report 172, pages 295-297 reflects that there were no MAX expenditures at the character level that exceed the budget for fiscal year 2006-2007.

# **CITY OF TORRANCE**

## **INTEROFFICE COMMUNICATION**

**TO:** Budget Review Team

**FROM:** Kim Turner, Transit Director

**DATE:** October 25, 2007

**SUBJECT:** Explanation of 1<sup>st</sup> Quarter Variances - Total Budget vs. Actual  
Recognized For FY 2007-08

### **REVENUES**

The analysis using Report "Budget vs. Actual- Revenue" reflects two transit revenue account classifications that are 5% below budget and \$20,000.

#### **Account Classification- Intergovernmental (1.0% and- \$1,543,369- p. 1**

This account classification variance is reflected in sub-objects 0728 Transit-SB 325 and 0730 Transit- Staf.

Transit submitted its TDA/STA Claim and invoices for STA funding to the MTA on July 30, 2007. The payment for State Transportation Assistance (STA) Funds (sub-object 0730) is traditionally released mid-year through Metro after the efficiency test results are tabulated. In September, 2007 transit staff was directed by the MTA to amend its current TDA claim and invoices for STA and SB 325 funding as the original funding marks had been revised prior to MTA board approval. Staff immediately revised the TDA claim and resubmitted the requested documents. Staff will continue to pursue invoice payment with the MTA.

#### **Account Classification-Charges for Services (18.0% and -\$938,096)-p.1.**

A number of sub-objects create the variance in this account classification. Many of the variances are revenue sources which are paid either quarterly, semi-annually or when a federal grant is awarded. Sub-object 1956 Transit Security (\$263,486) payment is awaiting the execution of a new Memorandum of Understanding that was recently received from the MTA. Sub-object 1960 Municipal Operators Service Program (\$374,976) has been invoiced and funds are expected. Sub-object 2017 Capital Maintenance Revenues (\$2,140,000) are reimbursed once the annual federal grant is approved. The grant is currently under review by the Federal Transit Administration (FTA); approval is anticipated during the next quarter. Staff closely monitors and pursues invoice payment from the MTA.

# **CITY OF TORRANCE**

## **INTEROFFICE COMMUNICATION**

**TO:** Budget Review Team

**FROM:** Kim Turner, Transit Director

**DATE:** October 25, 2007

**SUBJECT:** Explanation of 1st Quarter Variances - Total Budget vs. Actual  
Recognized For FY 2007-08

### **EXPENDITURES**

The analysis of Report "Budget vs. Actual by Department and Accounts –Expenses" reflects one transit account that exceeds the budget by 5% and \$20,000.

#### **Materials, Supplies & Maintenance (33.0% and -\$138,575)–p. 3.**

The variance is explained in sub-object 4300 Vehicle & Equipment Repair-Non- Commercial that is over budget by \$90,158 due to the increased costs of parts and the aging of the fleet which requires more extensive repairs; and in sub-object 4304 Vehicle Fuel that is over budget by \$49,546, which reflects the volatile nature of fuel pricing. The combined total of the two sub-objects \$139,704. Staff will continue to closely monitor this expenditure for increases.

**(THIS PAGE LEFT INTENTIONALLY BLANK)**



Honorable Chair and Members  
of the Finance and Governmental Operations Committee  
City Hall  
Torrance, California

**Subject: Community Services Department – Approve the deletion of 0.5 Senior Aide position and the addition of 0.5 Library Page position.**

**RECOMMENDATION**

The Acting Community Services Director recommends that the Finance and Governmental Operations Committee approve the deletion of 0.5 Senior Aide position and the addition of 0.5 Library Page position with the difference in pay grade offset by a reduction in funds from the Library's Cataloging and Processing Maintenance budget.

**Funding**

Funding is available in the Library Cataloging and Processing Maintenance budget.

**BACKGROUND/ANALYSIS**

The Community Services Department requests to convert the vacant Senior Aide position (open through retirement) to a Library Page position. The additional Page position will assist with processing and routing new materials to the proper branch locations. Converting the Aide position to Library Page would have no negative impact on current operations and would improve the flexibility of the Library's staffing schedule. The City has phased out the position of Senior Aide; the Library is the sole Division still using this job classification.

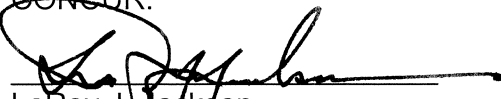
<b>Proposed Change</b>	<b>Amount</b>
Addition of 0.5 Library Page position	\$10,050
Deletion of 0.5 Sr. Aide position	<\$9,150>
Catalog/Processing Maint. budget reduction	<\$900>
Net cost	\$0

Respectfully submitted,

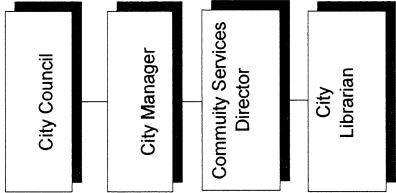


Norm Reeder  
Acting Community Services Director

CONCUR:

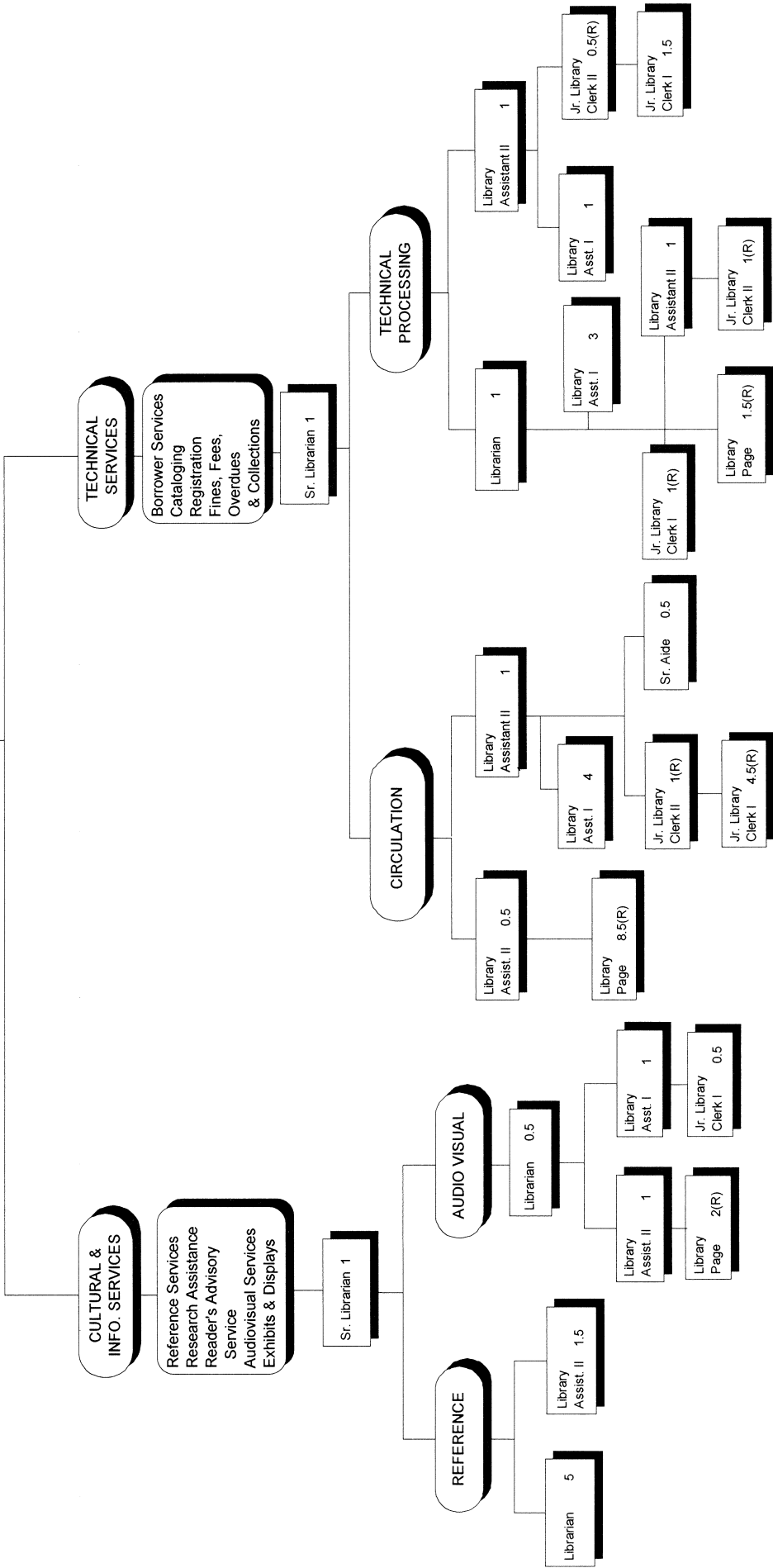
  
LeRoy J. Jackson  
City Manager

CURRENT



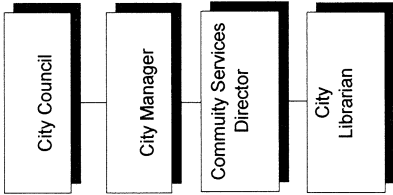
COMMUNITY SERVICES
No. of Employees = 274.0 Work Years

Functional Organizational Chart (Continued)



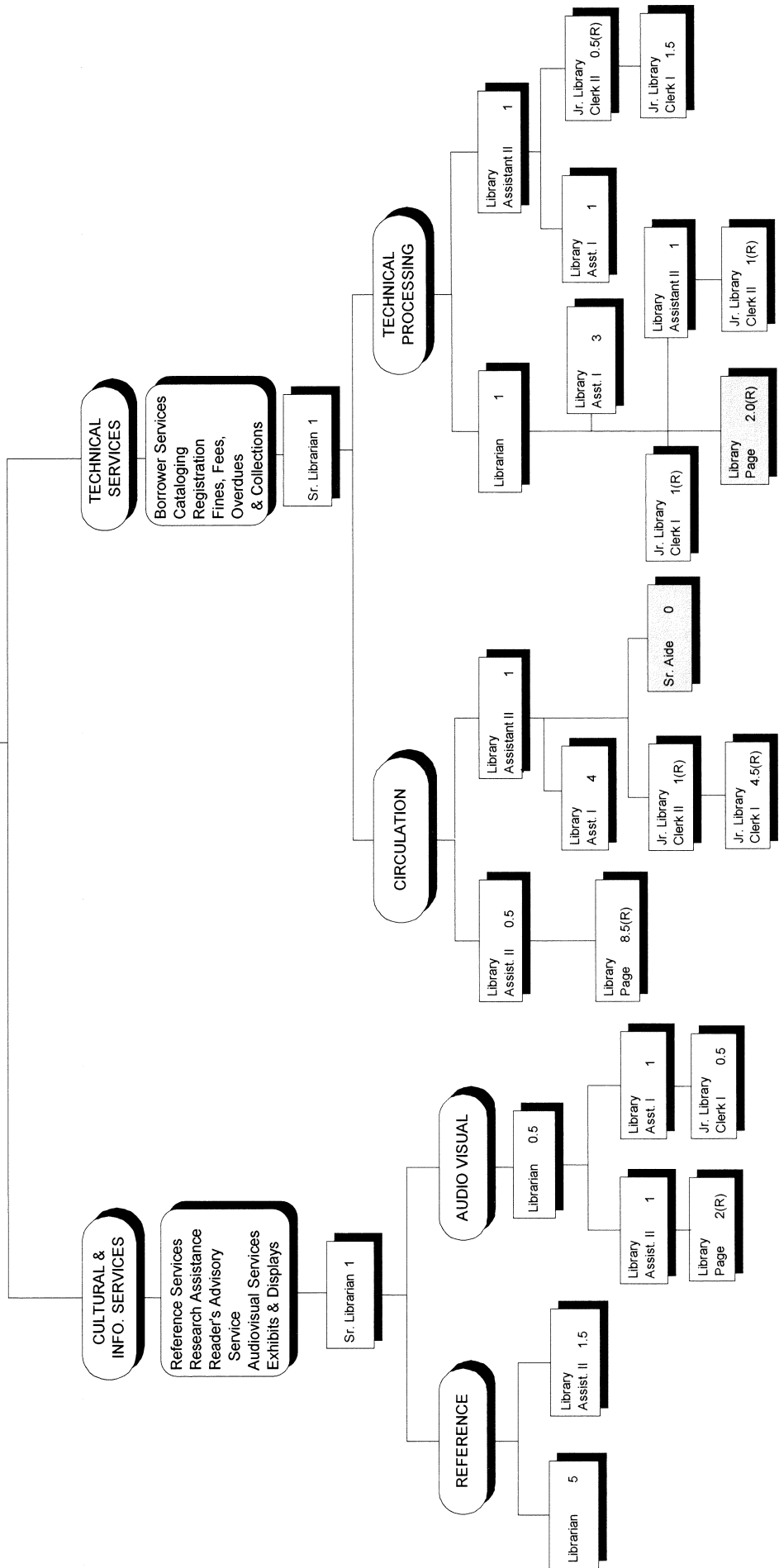


PROPOSED



COMMUNITY SERVICES
No. of Employees = 274.0 Work Years

Functional Organizational Chart (Continued)



Honorable Chair and Members  
of the Finance and Governmental Operations Committee  
City Hall  
Torrance, California

**Subject: Community Services Department – Appropriate funds for Transportation and Other trip costs for the Day Camp Program.**

**Expenditure: \$23,850 (fully offset by revenues)**

**RECOMMENDATION**

The Acting Community Services Director recommends that the Finance and Governmental Operations Committee appropriate \$23,850 from the Parks and Recreation Enterprise Fund offset by revenues of \$23,850 to be used for transportation and other trip costs associated with the Day Camp Program.

**Funding**

Funding is available in the Parks and Recreation Enterprise Fund.

**BACKGROUND/ANALYSIS**

The Community Services Department requests an appropriation in the amount of \$23,850 to the Day Camp Program to cover additional costs associated with transportation and other trip costs. As part of the weekly Day Camp Program held by the Department during summer vacation and spring break, the participants enjoy a weekly excursion to various theme parks and attractions. The cost for bus transportation to these venues has increased dramatically over the last few years due to the rise of fuel costs. In addition, ticket prices for these attractions have also risen dramatically, forcing the program to expend its entire materials and supplies budget on trip costs.

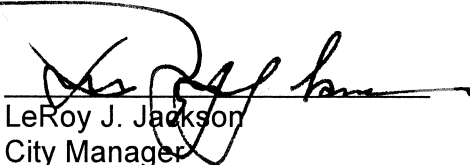
The increase in expenditure budget is expected to be fully offset by an increase to the cost of camp in the amount of \$10.00 per participant. This increase in camp fees will allow the program to cover the increased excursion costs while still providing a first class day camp program at an affordable rate.

Respectfully submitted,



Norm Reeder  
Acting Community Services Director

CONCUR:



LeRoy J. Jackson  
City Manager

Honorable Chair and Members  
of the Finance and Governmental Operations Committee  
City Hall  
Torrance, California

**Subject: Community Services Department – Appropriate funds for Chemicals at the Victor E. Benstead Plunge.**

**Expenditure: \$28,000 (fully offset by revenues)**

### **RECOMMENDATION**

The Acting Community Services Director recommends that the Finance and Governmental Operations Committee appropriate \$28,000 from the Parks and Recreation Enterprise Fund offset by revenues of \$28,000 to be used for Chemicals at the Benstead Plunge.

### **Funding**

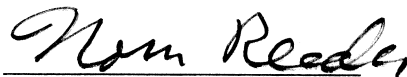
Funding is available in the Parks and Recreation Enterprise Fund.

### **BACKGROUND/ANALYSIS**

The Community Services Department requests an appropriation in the amount of \$28,000 for the purchase of chemicals necessary to maintain the Benstead Plunge. The hours of operation of the Plunge have increased due to year-round programming and extensive use of the facility by the Torrance Unified School District. This has caused the Department to exceed its budget for Materials/Supplies/Maintenance, specifically in the area of pool chemicals.

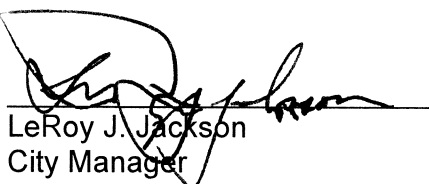
The increase in expenditure budget is expected to be fully offset by an increase in revenue from rental charges resulting from the adoption of a new Resolution for Rental Charges for the Plunge that was approved by City Council on May 22, 2007.

Respectfully submitted,



Norm Reeder  
Acting Community Services Director

CONCUR:



LeRoy J. Jackson  
City Manager

Honorable Chair and Members  
of the Finance and Governmental Operations Committee  
City Hall  
Torrance, California

**Subject: Finance – Approve the deletion of 1.0 Typist Clerk position and the addition of 1.0 Account Clerk position**

**RECOMMENDATION**

The Finance Director recommends that the Finance and Governmental Operations Committee approve the deletion of 1.0 Typist Clerk position and the addition of 1.0 Account Clerk position, offset by a 0.1 part-time Account Clerk position reduction in the Finance Department.

**Funding**

No additional funding is required.

**BACKGROUND/ANALYSIS**

The Finance Department requests to replace a vacant Typist Clerk position with an Account Clerk position to be able to provide assistance to Business License, Revenue, and Accounts Payable, as well as clerical support. The reduction of 0.1 Account Clerk position would reduce the current 0.4 part-time Account Clerk position to 0.3 and would have no impact on current operations.

<b>Proposed Change</b>	<b>Amount</b>
Addition of 1.0 Account Clerk position	\$67,300
Deletion of 1.0 Typist Clerk position	<\$61,000>
Deletion of 0.1 Account Clerk position	<\$6,730>
Supplies budget	430
Net cost	0

Respectfully submitted,

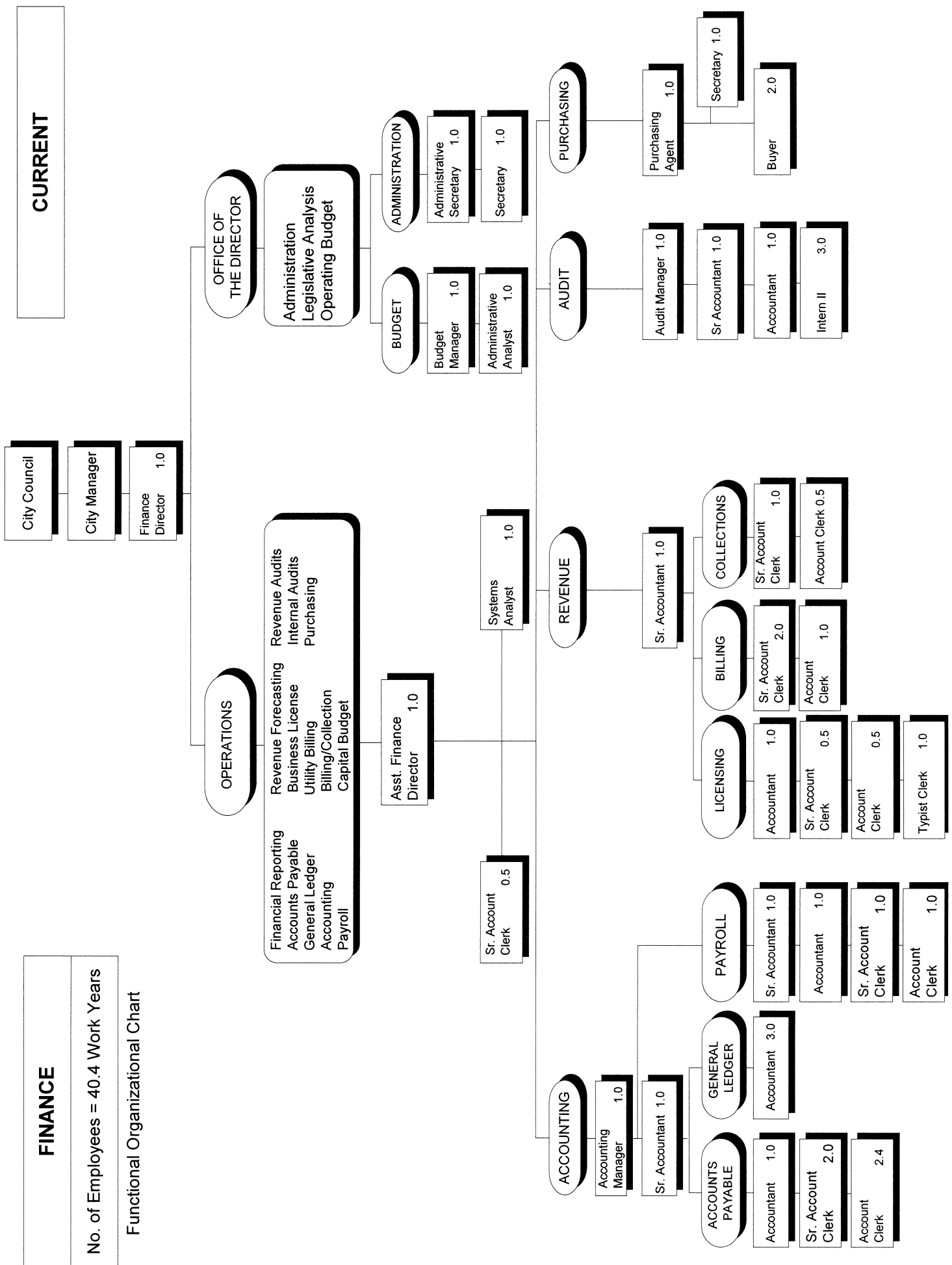


Eric E. Tsao  
Finance Director

CONCUR:



Leroy J. Jackson  
City Manager

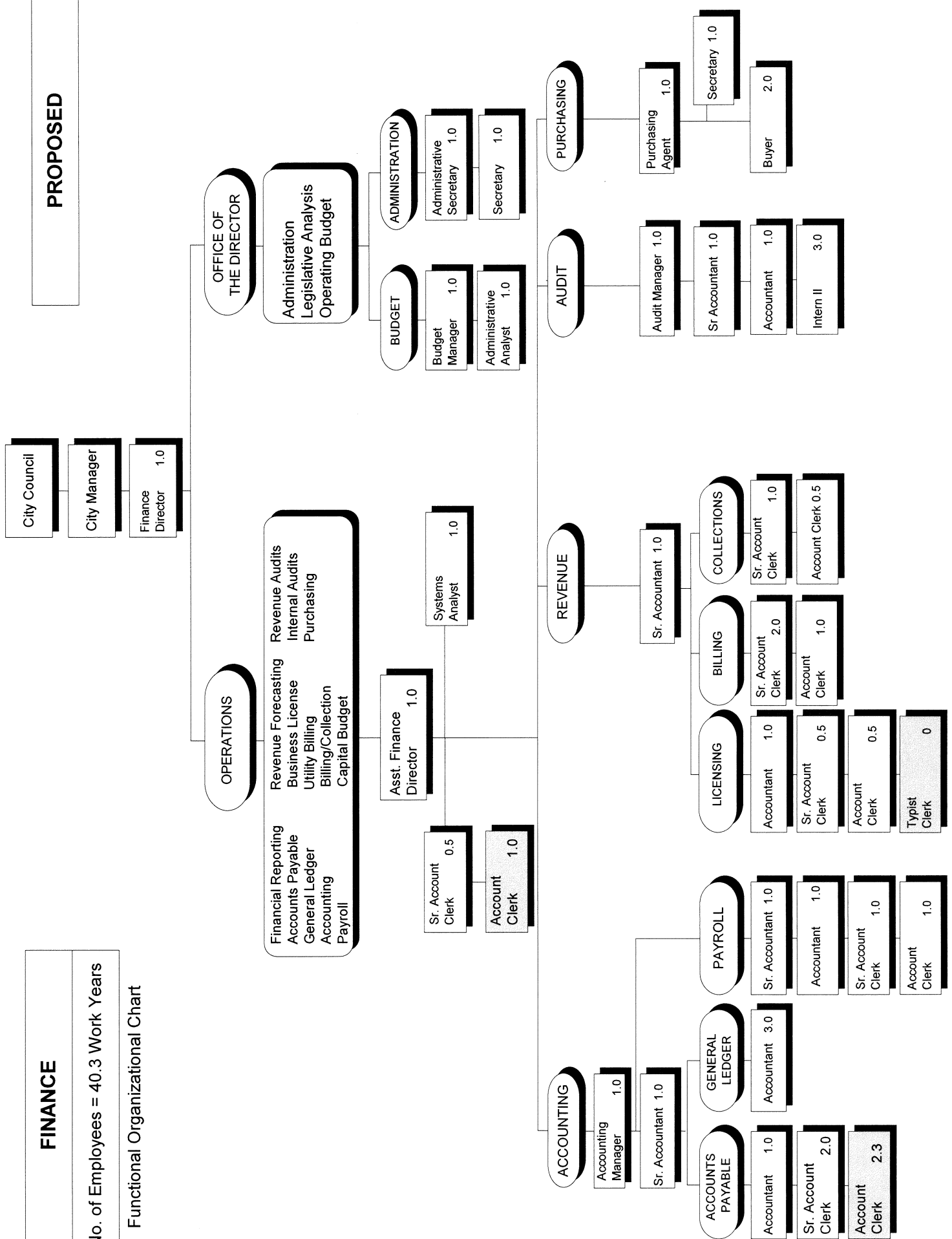


## FINANCE

No. of Employees = 40.3 Work Years

### Functional Organizational Chart

## PROPOSED



Honorable Chair and Members  
of the Finance and Governmental Operations Committee  
City Hall  
Torrance, California

**Subject: Human Resources – Approve addition of 1.0 Human Resources Analyst**

**RECOMMENDATION**

The Human Resources Director recommends that the Finance and Governmental Operations Committee approve the addition of 1.0 Human Resources Analyst position.

**Funding**

At this time \$55,000 will be appropriated from year-end carry-over for the balance of Fiscal Year 2007-08.

**BACKGROUND/ANALYSIS**

As a result of the departmental restructuring between Civil Service and Human Resources, the Human Resources Department assumed responsibility for the Recruitment and Selection activities of the City effective mid-year 2004-05. The chart below depicts the staffing levels, functions and number of exams completed from FY 2003-04 to the current Fiscal Year.

Specifically, there has been a **21% increase** in the number of exams completed and eligibility lists produced since FY 2003 – 04. Conversely there has been a decrease in staff from the original 6.5 positions to the current staffing level of 4.5 positions. Moreover, the Division has assumed four (4) additional areas of responsibility – job classification; labor relations support; organizational/employee development; equal employment opportunity program

	<b>FY 03-04</b> Civil Service	<b>FY 04-05</b> Human Resources	<b>FY 05-06</b> Human Resources	<b>FY 06-07</b> Human Resources	<b>FY 07-08 to date</b> Human Resources
<b># of Exams Completed</b>	<b>49</b>	<b>61</b>	<b>57</b>	<b>61</b>	<b>30</b> (combines exams completed & in progress)
<b>Staffing</b>	<b>6.5 FTE</b> 1.0 Civil Svcs Admin 2.5 HR Analysts 1.0 Admin Sec'y 2.0 Secretary	<b>5.5 FTE</b> 1.0 HR Manager 1.5 HR Analyst 1.0 Proj Ldr (On Loan) 2.0 Secretary	<b>5.5 FTE</b> 1.0 HR Manager 1.5 HR Analyst 1.0 Proj Ldr (On Loan) 1.0 Personnel Tech. 1.0 Secretary	<b>5.5 FTE</b> 1.0 HR Manager 1.5 HR Analyst 1.0 Proj Ldr (On Loan) 1.0 Personnel Tech. 1.0 Secretary	<b>4.5 FTE</b> 1.0 HR Manager 1.5 HR Analyst  1.0 Personnel Tech. 1.0 Secretary
<b>Areas of Responsibility</b>	Civil Service Commission Support Recruitment & Exams	Recruitment & Exams Job Classification Labor Relations Support	Recruitment & Exams Job Classification Labor Relations Support	Recruitment & Exams Job Classification Labor Relations Support EEO Plan	Recruitment & Exams Job Classification Labor Relations Support EEO Plan Org./Employee Development

It is important to note as well that the City is presently experiencing a significant rise in the level of retirements. This trend is consistent with demographic projections for the future due to the growing number of "boomers" leaving the workforce and the shortage of qualified candidates to take their place. Specific to the City, staff is seeing retirements at supervisory/management levels, in safety (sworn) positions and specialized technical, professional and crafts and trades positions.

Recruitment is deemed an extremely high priority for the City. With the growing number of vacancies and the need to expedite hiring, it is critical to maintain the quality of our personnel. It is especially critical to hire employees who are a good fit in the organization; investing time in the process up front aims to mitigate problems later on in employment.


To achieve a competitive edge, more proactive strategies for recruitment must be utilized, strategies which typically require more staff time to develop and customize. The addition of the proposed position would accomplish this. It would also allow the allocation of additional resources to update job classifications to reflect changes in industry standards and to support the design and implementation of the organizational/employee development program. This training effort is yet another tool to be utilized to achieve recruitment objectives by providing City employees with the knowledge and skills required to promote when opportunities for advancement arise.


If approved, \$55,000 will be appropriated from year-end carry-over to support the cost of this position. The annual cost of the position is \$111,600; this will need to be addressed in the Fiscal Year 2008-09.

Respectfully submitted,  
ELAINE M. WINER  
Human Resources Director

By   
Melody P. Lawrence  
Human Resources Manager

CONCUR:

  
Elaine M. Winer  
Human Resources Director

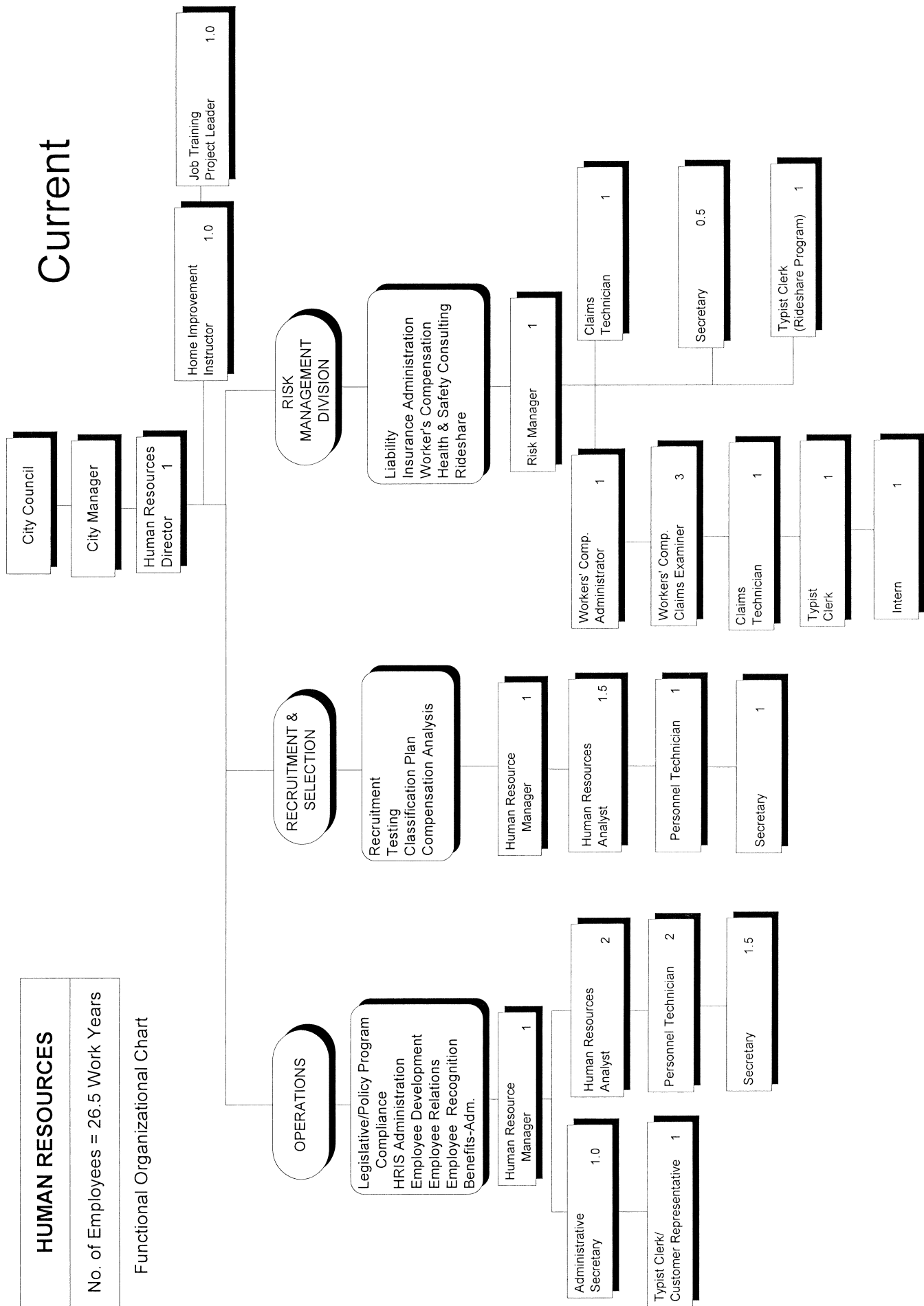
~~Concur:~~  
  
LeRoy J. Jackson  
City Manager



# HUMAN RESOURCES

No. of Employees = 26.5 Work Years

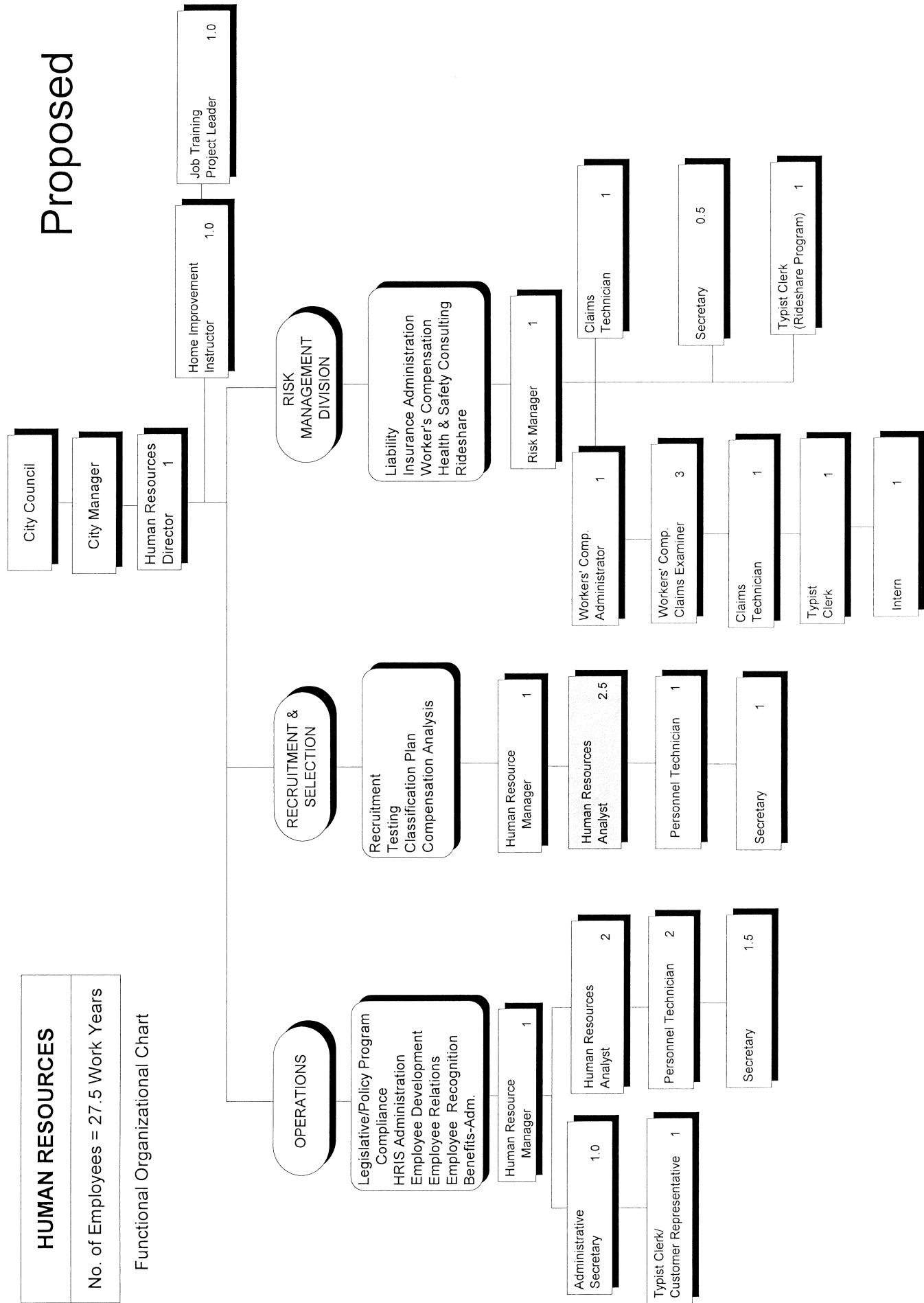
## Functional Organizational Chart



# HUMAN RESOURCES

No. of Employees = 27.5 Work Years

Functional Organizational Chart



Honorable Chair and Members  
of the Finance & Governmental Operation Committee  
City Hall  
Torrance, California

**SUBJECT: Approval to Appropriate Additional Funds from the Self-Insurance Reserve Fund**

**Expenditure: \$800,000**

**RECOMMENDATION**

The Human Resources Director recommends approval of an additional appropriation of \$800,000 to the Self Insurance Fund.

**FUNDING**

Funds are available in the Self-Insurance Reserve Fund

**BACKGROUND AND ANALYSIS**

Workers' compensation costs are allocated to the various City departments during the first 4 years of the life of the claim. Costs related to claims which exceed four (4) years are paid out of the Self Insurance Fund. This year staff is anticipating a short fall in the appropriation due to an increase in medical benefits paid for the older life-time medical claims, those that exceed four (4) years.

Due to legislation passed in 2004 which reformed the workers' compensation system in California, the City has experienced a 50% decrease in workers' compensation costs. Staff analysis has found that the majority of the costs savings are related to claims that are less than 4 years since date of injury. Savings are a result of a decrease in new claims being filed by employees, as well as efforts by departments to keep employees at work on transitional light duty.

The majority of claims that are covered by the over four (4) year account are for life-time medical care. Medical expenses include medications, tests, procedures, hearing aides and surgeries for back, joint replacement and heart. A large percentage of the life-time medicals claims involve injured workers age 60 or greater. Because life expectancy is increasing and the medical field continues to make strides in treatment, many injured workers are having multiple procedures and surgeries.

Staff has definitely seen an increase in old claims being reopened for these medical services over the last 10 years. To control these costs, staff has been attempting to buyout life-time medical claims when appropriate. Staff will monitor this account to determine future appropriation levels.

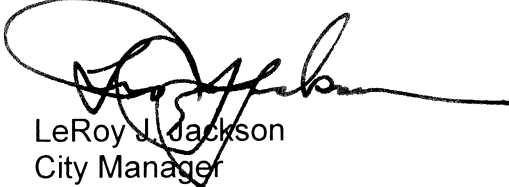
The Self-Insurance Reserve Fund was established and is available for anticipated increases in high cost claims. Therefore, it is recommended \$800,000 be appropriated to the Self-Insurance Fund.

Respectfully submitted,



Elaine M. Winer  
Human Resources Director

CONCUR:



LeRoy J. Jackson  
City Manager

Honorable Chair and Members  
of the Finance and Governmental Operations Committee  
City Hall  
Torrance, California

**SUBJECT: Public Works – Approve the deletion of 1.0 Senior Tree Trimmer position and the addition of 1.0 Public Works Supervisor. Expenditure: \$32,000.**

**RECOMMENDATION**

The Public Works Director recommends that the Finance and Governmental Operations Committee approve the deletion of 1.0 (currently vacant) Senior Tree Trimmer position and the addition of 1.0 Public Works Supervisor position. The differential between the positions is \$32,000.

**Funding**

This position will be funded by departmental salary savings in the current year and will be addressed in the 2008-09 budget process.

**BACKGROUND/ANALYSIS**

In August 2006 one of three Public Works Supervisors in the Streetscape Division was promoted to Streetscape Manager and the vacated supervisor position was deleted. In February 2007 the Division was reorganized by task instead of geographically because of the loss of the position, with one supervisor assigned to tree maintenance and one assigned to median maintenance. This has improved the efficiency of each task and has improved accountability.

The Division has now operated for one year with two supervisors and has identified a customer service deficiency related to residential tree calls. Historically the Streetscape Division has had two supervisors to handle tree maintenance and this has worked well operationally. Specifically, the Streetscape Division receives approximately 240 tree service requests per month from the public. Each request requires contact with the resident and an evaluation and scheduling of the necessary work. In addition to the public service requests, the tree supervisor coordinates work with capital and maintenance projects and is involved with claim resolution. These activities take the majority of the supervisor's efforts and leave very little time for other tasks such as supervisory control.

Public Works is now asking to restore the supervisor position to better manage the Division and to preserve a high level of customer service while maintaining accountability and productivity of the employees.

<b>Proposed Change</b>	<b>Amount</b>
Addition of 1.0 Public Works Supervisor position	\$111,900
Deletion of 1.0 Senior Tree Trimmer position	<\$79,900>
Net cost	\$32,000

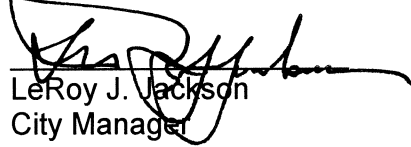
The Public Works Department has analyzed the work flow within the Streetscape Division and recommends deleting 1.0 (currently vacant) Senior Tree Trimmer position and adding 1.0 Public Works Supervisor position.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'R. Beste', written over a horizontal line.

Robert J. Beste  
Public Works Director

CONCUR:

A handwritten signature in black ink, appearing to read 'LeRoy J. Jackson', written over a horizontal line.

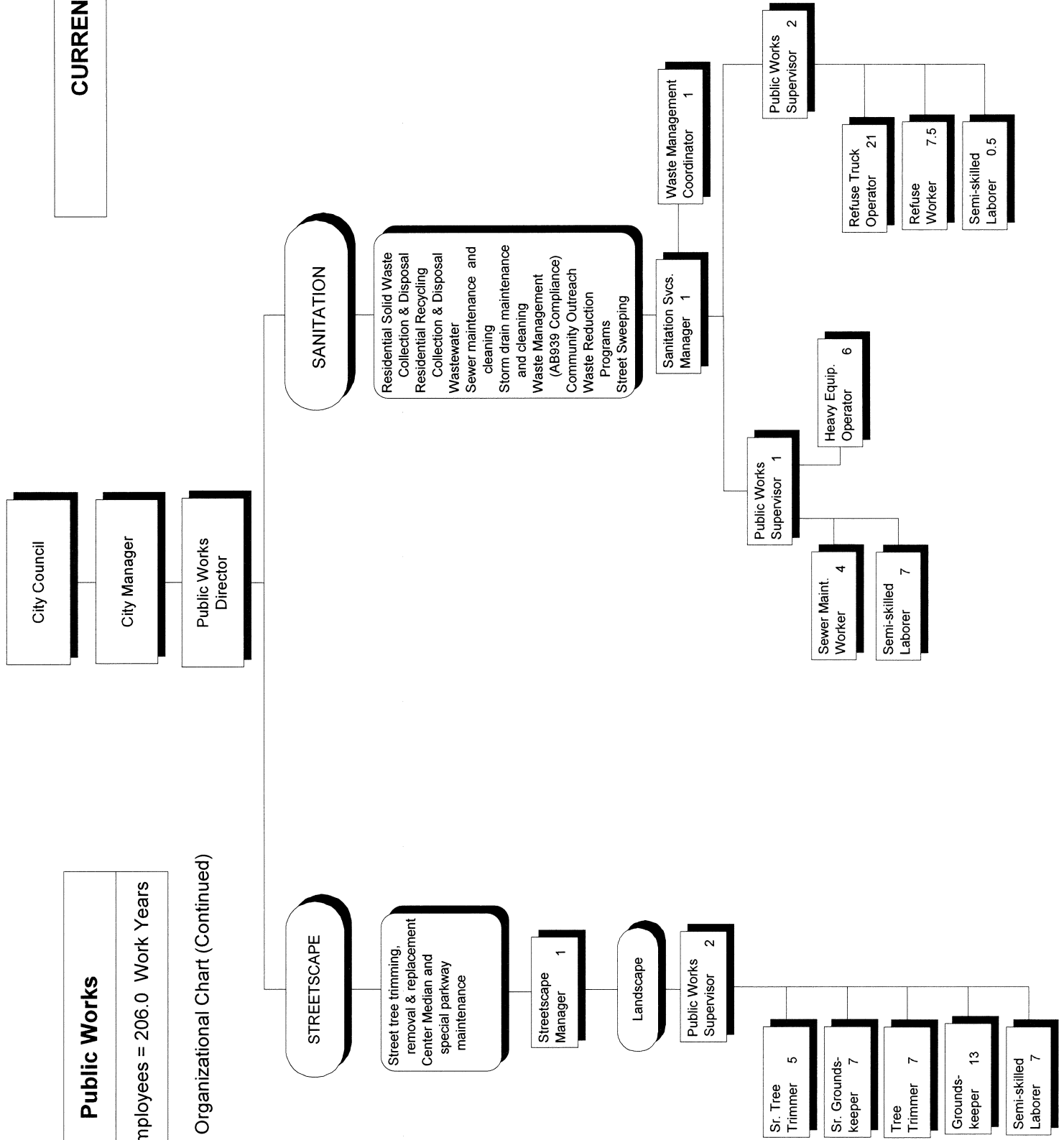
LeRoy J. Jackson  
City Manager

# Public Works

No. of Employees = 206.0 Work Years

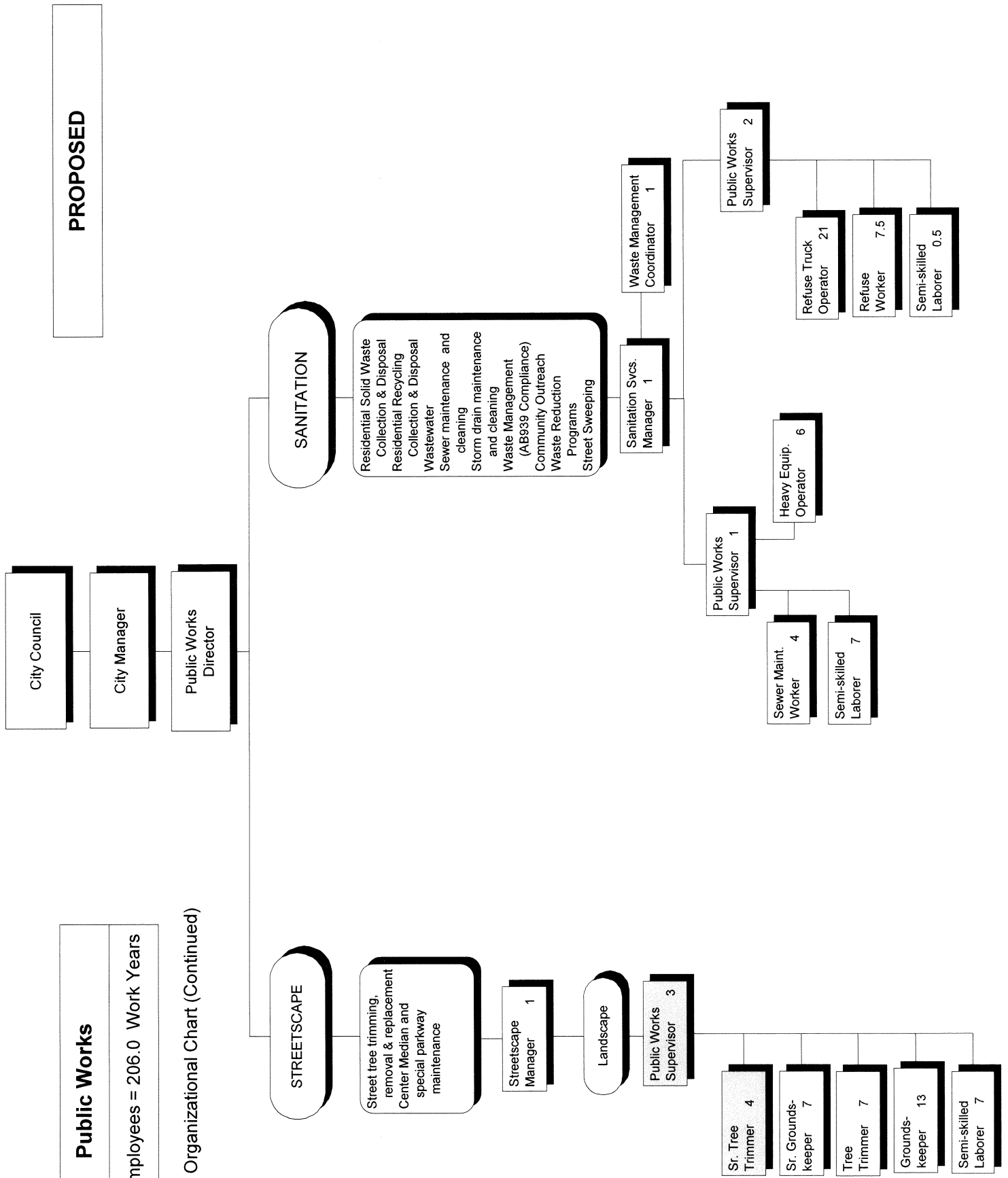
CURRENT

Functional Organizational Chart (Continued)



Public Works	
No. of Employees = 206.0	Work Years

Functional Organizational Chart (Continued)





Honorable Chair and Members  
of the Finance and Governmental Operations Committee  
City Hall  
Torrance, California

**SUBJECT: Public Works – Approve the deletion of 2.0 Semi-Skilled Laborer positions and the addition of 2.0 Water Technician I positions. Expenditure: \$41,200.**

**RECOMMENDATION**

The Public Works Director recommends that the Finance and Governmental Operations Committee approve the deletion of 2.0 Semi-Skilled Laborer positions and the addition of 2.0 Water Technician I positions. The differential between the positions is \$41,200.

**Funding**

Funding is available in the Water Enterprise Fund.

**BACKGROUND/ANALYSIS**

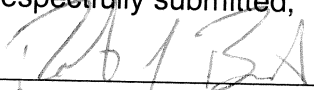
The Department of Health Services Title 22, Division 4, Section 63770, Distribution System Staff Certification, requires all water employees to possess a valid Distribution-1 certificate. For this reason, all Water Technician I employees in the Public Works Department possess a Distribution-1 certificate.

Currently, the Water Division of the Public Works Department has 2.0 Semi-Skilled Laborer positions and 10 Water Technician I positions. The 2.0 employees who currently fill the 2.0 Semi-Skilled positions possess Distribution-1 certificates. The Department recommends deleting the 2.0 Semi-Skilled Laborer positions and adding 2.0 Water Technician I positions in compliance with the State certification requirements.


<b>Proposed Change</b>	<b>Amount</b>
Addition of 2.0 Water Tech I positions	\$162,000
Deletion of 2.0 Semi-skilled position	<\$120,800>
Net cost	\$41,200

The Semi-Skilled Laborer position does not comply with the Department of Health Services requirement because it does not require a Distribution-1 certificate. Therefore, the Public Works Director recommends deleting the 2.0 Semi-Skilled Laborer positions and adding 2.0 Water Technician I positions to conform to State regulations.

Respectfully submitted,

  
Robert J. Beste  
Public Works Director

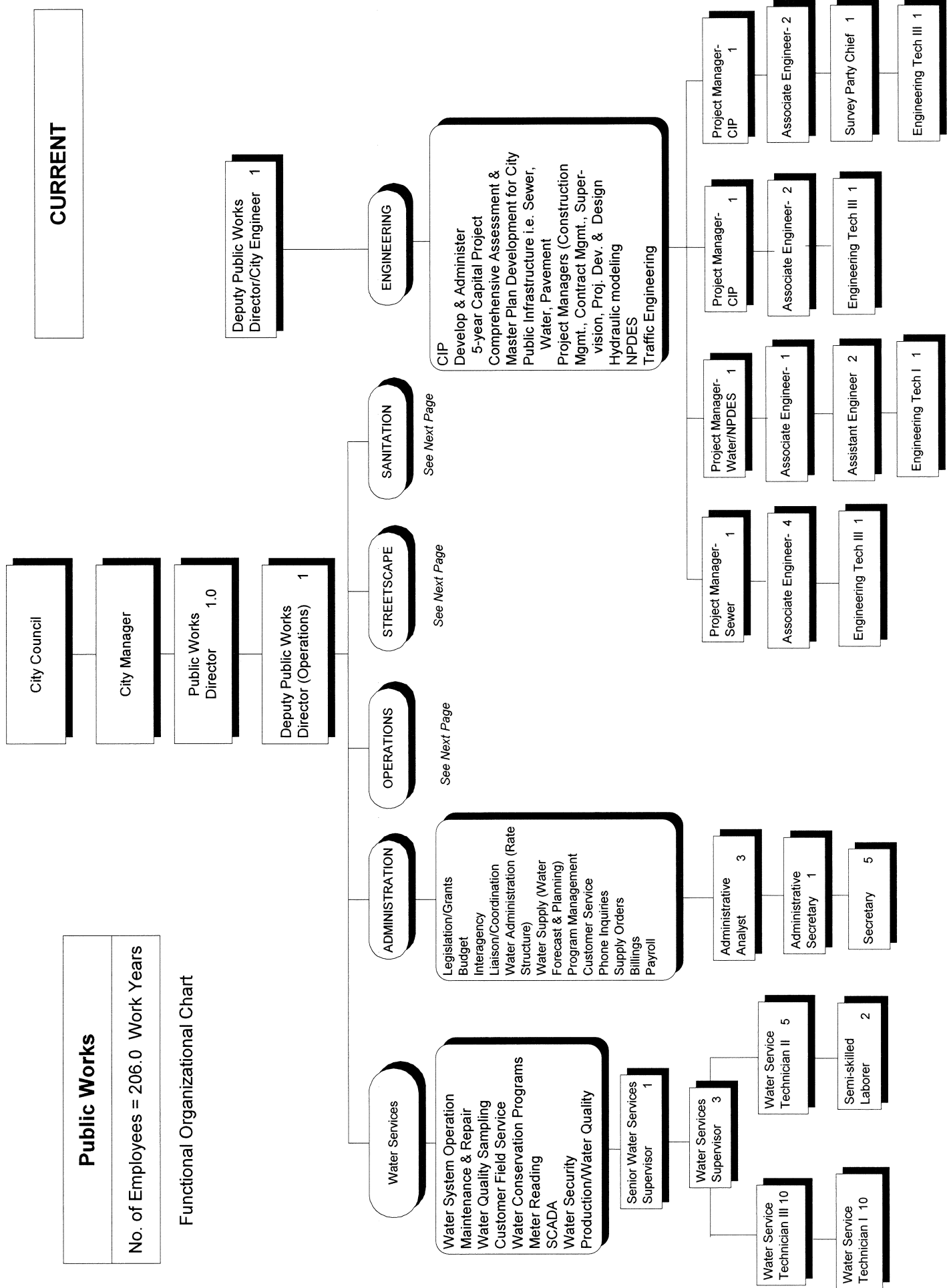
CONCUR:

  
LeRoy J. Jackson  
City Manager

# Public Works

No. of Employees = 206.0 Work Years

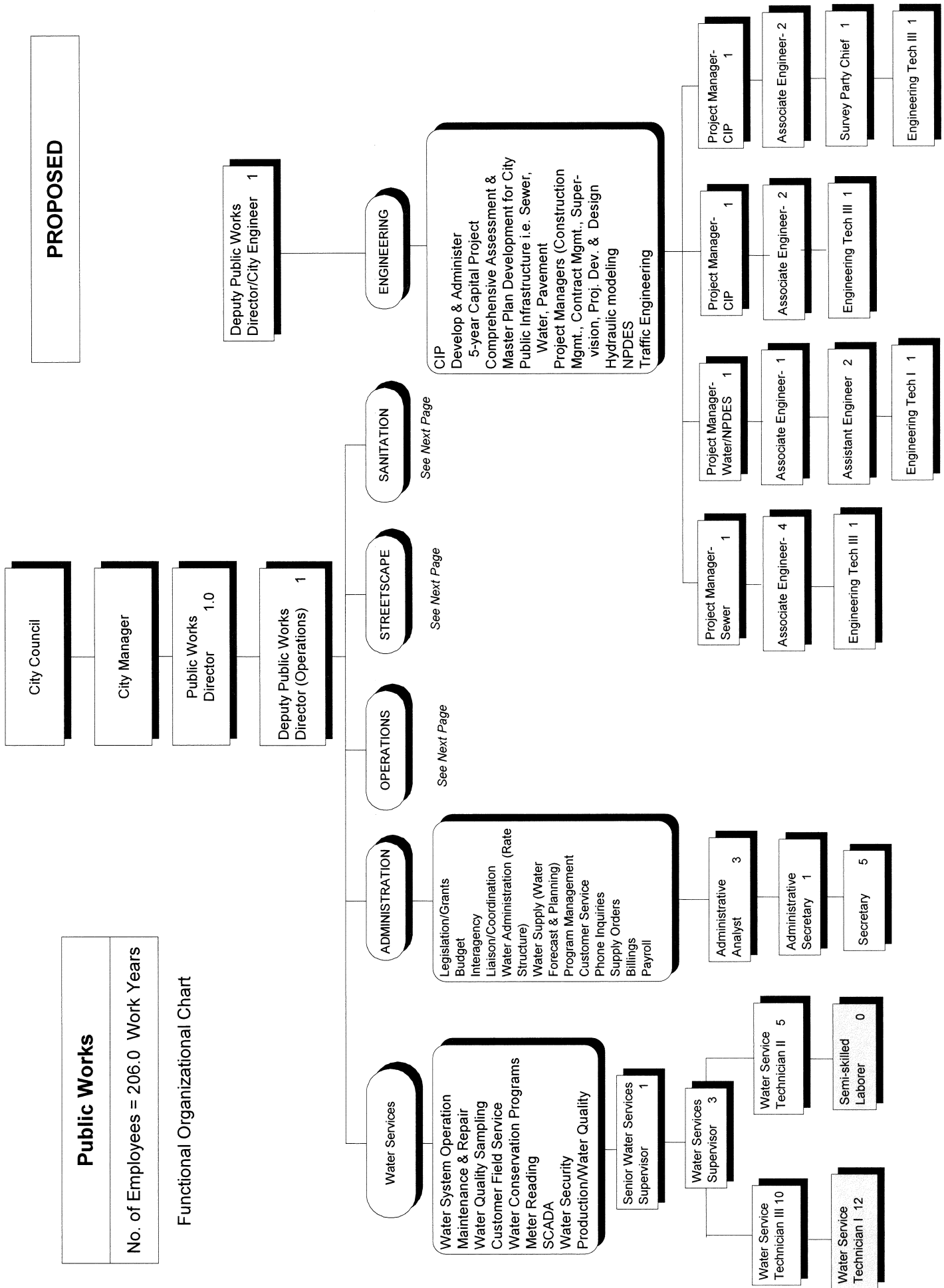
## Functional Organizational Chart



# Public Works

No. of Employees = 206.0 Work Years

Functional Organizational Chart



Honorable Chair and Members  
of the Finance and Governmental Operations Committee  
City Hall  
Torrance, California

**SUBJECT:** Transit Department - Addition of 0.8 Customer Service Representative position at the West Annex Transit Center

**EXPENDITURE:** \$45,000

**RECOMMENDATION**

The Transit Director recommends that the City Council approve the addition of 0.8 Customer Service Representative position at the West Annex Transit Center.

**FUNDING**

Funding is available in the Transit Department's FY 2007-2008 operating budget.

**BACKGROUND AND ANALYSIS**

The West Annex Transit Center offers a variety of transit services to the general public on a daily basis. The services include the answering of a high volume of telephone inquiries regarding transit routing and scheduling, the purchasing of tokens and passes, dispensing senior and disabled program information, and addressing in-person counter questions. The position requires the processing of over 500 monthly senior and disabled taxi ticket orders, the issuing of over 300 monthly regional disabled identification cards, the selling of fare media that includes the Torrance Transit local and express passes, the regional EZ pass, and the Municipal Area Express (MAX) local and express passes.

The West Annex Transit Center was previously staffed by a Recreation Specialist II assigned from the Community Service Department and budgeted for by the Transit Department. The creation of the Customer Service Representative position and its job specifications were selected because they will most appropriately align the duties and responsibilities required for staffing the Transit Center.

The required funding for the Customer Service Representative position will be available from internal Transit Department reallocation of existing funds.

Respectfully submitted,



Kim Turner  
Transit Director

CONCUR:

  
LeRoy J. Jackson  
City Manager

Attachment: A) Customer Service Representative Job Specification  
B) Transit Department Organization Chart

## Customer Service Representative

### Position Summary

Under immediate supervision, interfaces daily with the public and prospective clients to provide information regarding services available through the City's programs; establishes and maintains customer relations; and performs related work as required. This position is fully funded by grant funds and is subject to their availability.

### Examples Of Duties

- Provides information to prospective clients on services available through the City;
- Responds to request for information from the public, City departments and outside agencies;
- Responds to, investigates and resolves customer inquiries and complaints;
- Develops customer service surveys to assess training participant satisfaction with services provided and determine future needs; prepares reports to summarize results of training participant surveys and suggestions;
- Organizes, prepares and disseminates promotional materials such as flyers, booklets, posters, and brochures;
- Maintains computerized data bases, prepares simple reports and assists in tracking applicants referred to the program;
- Directs visitors and conducts routine tours of City facilities and agencies;
- Assists in proctoring skills assessments tests and questionnaires for new clients;
- Prepares correspondence, reports and other documents, files and maintains a variety of forms and records.
- May participate in off-site recruitment and orientation activities at local companies or agencies.

### Minimum Qualifications

#### Knowledge of:

- Interview methods used to obtain information from clients in Order to provide effective customer service;
- Local community resources and services;
- PC, word processing and data base applications;
- General public relations techniques, including telephone etiquette.

#### Ability to:

- Apply problem solving techniques to provide customer effective customer service;
- Communicate effectively with individuals from diverse socioeconomic, educational and cultural backgrounds;
- Receive, screen and direct questions and telephone calls to appropriate source of information;
- Exercise judgment and tact in dealing with the public and prospective clients in difficult situations;
- Communicate clearly and concisely both orally and in writing;
- Perform memo, correspondence and report typing with accuracy and speed;
- Operate a variety of office equipment, such as computer terminal, telephone, and copy machine;
- Follow oral and written instructions;
- Establish and maintain effective working relationships with co-workers, the public, PIC members, governmental and private agencies, other City departments, business and elected officials;

**Experience**

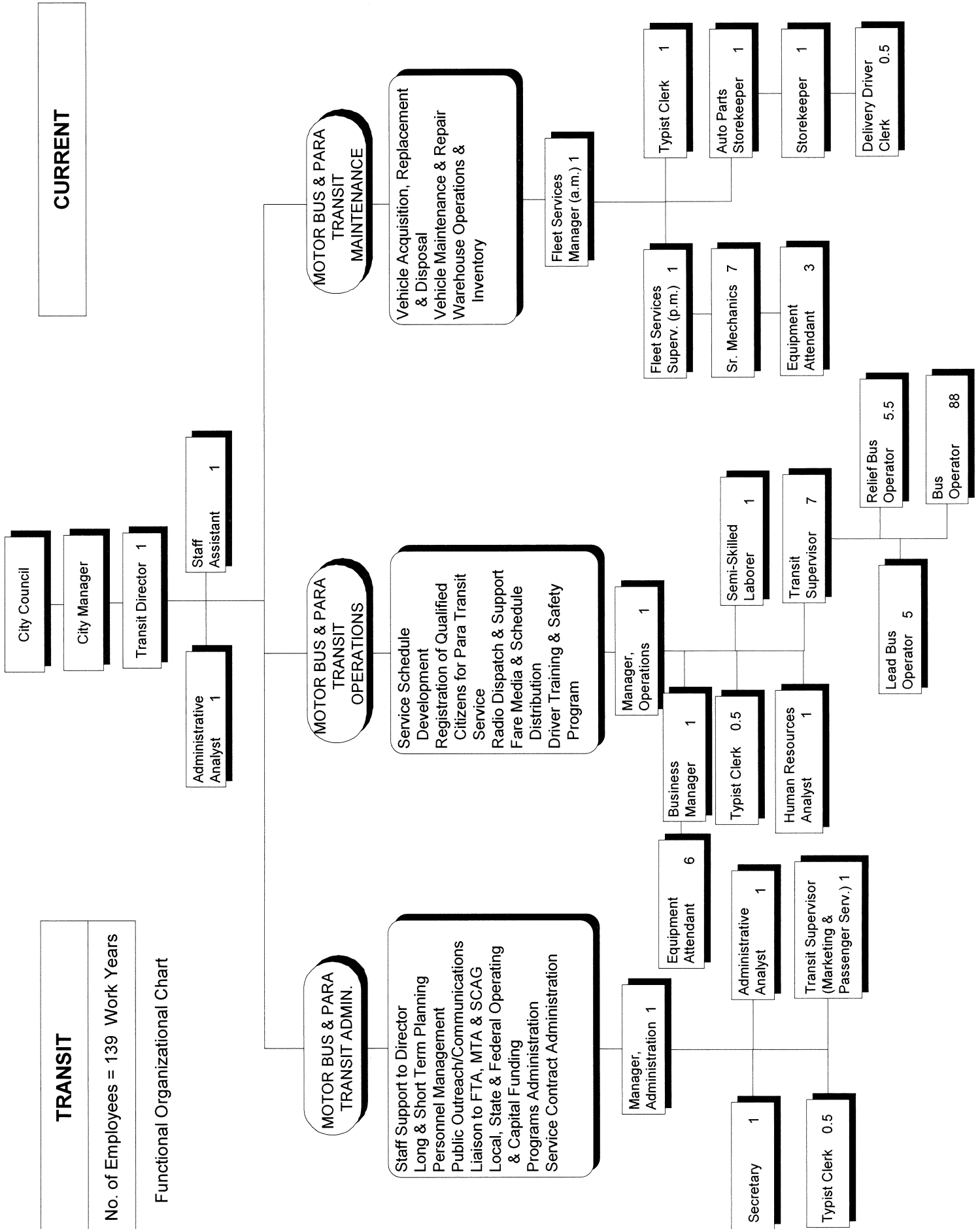
Six months of experience involving public contact or public relations is desired.

**Education**

Equivalent to graduation from high school.

**Special Requirements**

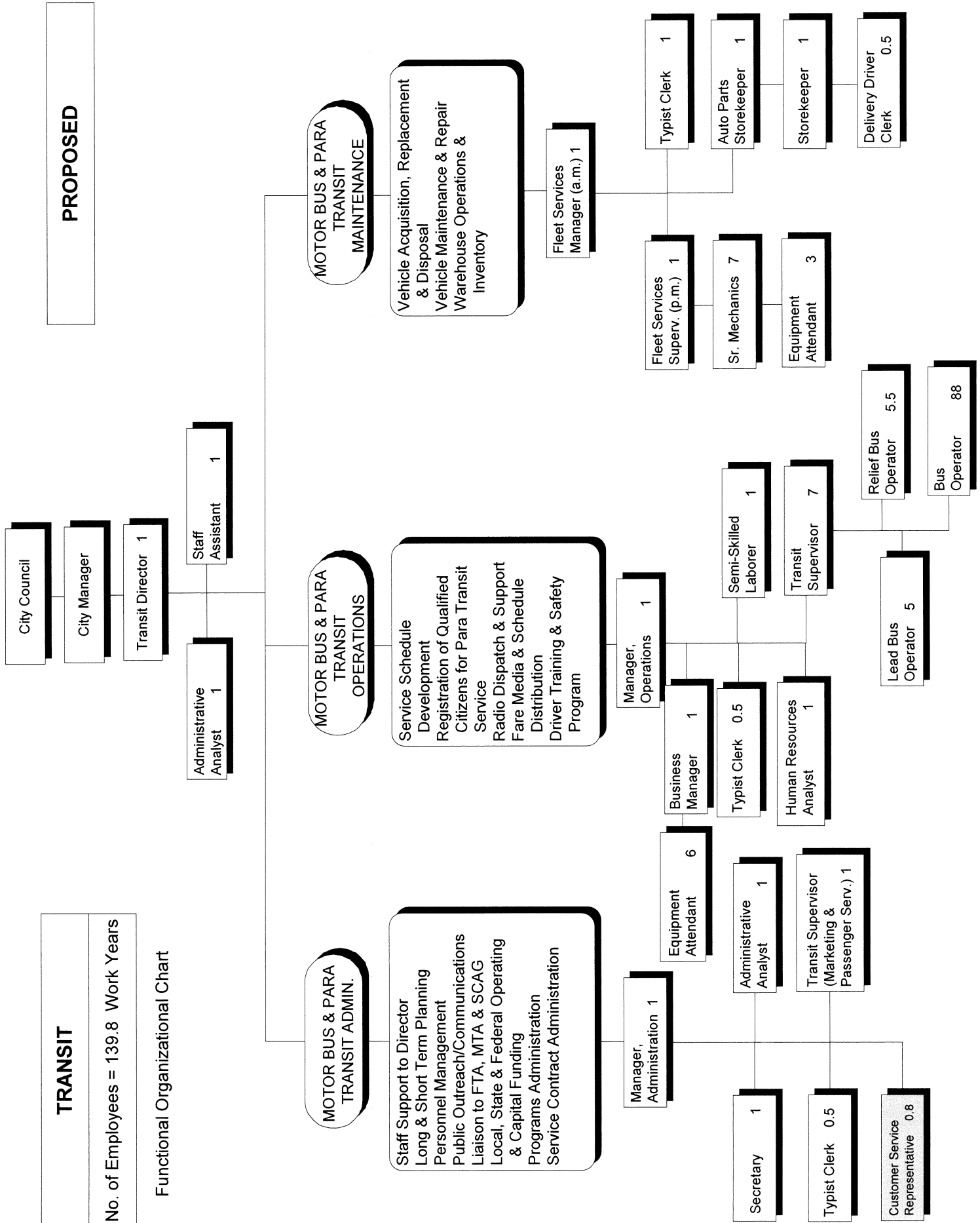
May require a valid Class C California drivers license and have available transportation, depending on assignment.





TRANSIT
No. of Employees = 139.8 Work Years

Functional Organizational Chart



**(THIS PAGE LEFT INTENTIONALLY BLANK)**



Honorable Chair and Members  
of the Finance and Governmental Operations Committee  
City Hall  
Torrance, California

**Subject: City Manager - Expansion of SMART program to provide assistance to residents and neighborhood groups in improving rundown properties or areas within a neighborhood**  
**Expenditure: \$250,000**

### RECOMMENDATION

The City Manager recommends that the Finance and Governmental Operations Committee approve the expansion of the SMART assistance program to partner with neighborhood groups and residents to improve rundown properties or areas in a neighborhood that detract from the environmental quality of that area and to appropriate \$250,000 to fund the program.

### Funding

Funding is available in the General Fund Year- End 2006-07 Carryover

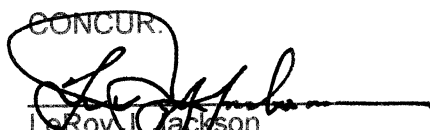
### BACKGROUND/ANALYSIS

The Special Multi Agency Response Team (SMART) currently provides assistance to residents, primarily seniors, who struggle to remain in their homes and maintain their property to standards compatible with their neighborhood. SMART responds when conditions deteriorate beyond the ability of the homeowner to keep up with maintenance, resulting in unsanitary or environmentally hazardous conditions. SMART performs site inspections, provides roll-off dumpster units to help with cleanup, and facilitates referrals to, or coordination with, other agencies, as necessary, to provide further assistance.

The City Manager is seeking to enhance this program by forming a partnership with neighborhood groups and residents who need assistance, due to age, disability, or other hardship in order to maintain their homes to a standard that complements their neighborhood.

Respectfully submitted,

  
Fran Fulton  
Management Associate

CONCUR  
  
LeRoy Jackson  
City Manager

Honorable Chair and Members  
of the Finance and Governmental Operations Committee  
City Hall  
Torrance, California

**Members of the Finance and Governmental Operations Committee:**

**SUBJECT: Authorization to appropriate additional funding for a One Stop Permit Center. Expenditure \$900,000**

**RECOMMENDATION**

The Community Development and General Services Directors recommends the Finance and Governmental Operations Committee authorize additional appropriation of \$900,000 for the design and construction of the One Stop Permit Center FEAP 295.

**FUNDING**

Funding is available from the General Fund year end carryover.

**Background**

The Community Development Department Planning, Building and Safety Divisions have current deficiencies in their existing areas which if corrected would substantially improve customer service in permitting, licensing and development areas. Current City permit processing and licensing operations are distributed through various portions of the City Hall East Annex which create inefficiencies in customer support, increased service times and poor public access for individuals and businesses. A "One Stop" concept, to provide premier customer service, where building, planning, engineering, business licensing, and payment needs can be handled at one central location was first explored in the mid 1990's but was not been implemented due to previous space limitations. However, recent departmental reorganizations and relocations in other portions of the City Hall complex now make a One Stop permit center feasible. FEAP 295 was presented during the 2007-2011 Capital Budget process to request funding for a One Stop permit center. Council approved development of this project with a budget of \$1,000,000.

## **Analysis**

The Community Development Department working with various consultants performed an assessment of business processes in Community Development as a prelude to construction of a Centralized Permit. This study reviewed building, planning, engineering, business licensing and payment processing. Included in the review were staffing, workflow and the available technology associated with business processes within Departments and Divisions that would be affected. Review of similar cities business practices was also completed for possible implementation of best practices where applicable.

Based on the process study final report and working with Department staff, an architectural firm was contracted to complete a master plan for best organizing the Community Development Department and to complete construction drawings for a One Stop permit center. During initial stages it became evident that structural upgrades of the existing building to meet current codes would be required at an estimated cost of \$300,000. An additional budget of \$500,000 would also be needed to meet the projects intent of housing all permit functions in one location. The additional funds would allow creation of additional public and staff spaces to house the required public counter functions through the relocation of restrooms. New Restrooms would also meet current handicap accessibility requirements. Two options (A & B) are now available to continue with the project. Additional details and drawings outlining each option are provided in the attachment.

**Option A** – continue under the present budget with staff and public spaces approximately 50% of the actual need.

Structural upgrades	300,000
Renovation costs	<u>700,000</u>
	\$1,000,000

**Option B** – construction of a complete permit center with adequate space public and counter staff. Off counter support personnel and documents would remain distributed throughout various buildings.

Structural upgrades	300,000
Renovation costs	<u>1,600,000</u>
	\$1,900,000

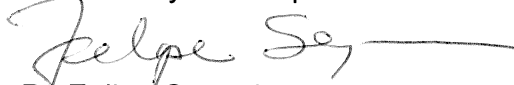
A second future phase of this project would follow in future years when funding becomes available. This remaining work would relocate off counter support staff for best support of the public counter and other department functions as well as reorganization of documents supporting permit and other City needs. This phase would renovate existing Building and Safety 1<sup>st</sup> floor spaces to allow development review, environmental review, engineer technicians and other off counter plan check staff to

move to areas where they would most effectively service the public counter and interact with other City staff.

The Community Development Department recommends approval of Option B and requests the Finance and Governmental Operations Committee appropriate additional funds of \$900,000 to FEAP 295 to proceed with structural upgrades, design and construction. If approved, it is estimated the project would be available to bid in approximately 4 to 6 months.

Respectfully submitted,

Jeffery W. Gibson  
Community Development Director



By Felipe Segovia  
Building Regulations Administrator

CONCUR:



Jeffery W. Gibson  
Community Development Director



Sheryl Ballew  
General Services Director



LeRoy J. Jackson  
City Manager

Attachment – Option details

**Plan A** \$1.0 million

- Structural upgrade of 1st and 2nd floors of East Annex
- Counter area in new permit center similar in size to that in current Building and Safety spaces
- Small public lobby/work areas to support increased public traffic
- Cashier (Treasurer's office) remains unchanged
- Support staff and documents are distributed throughout existing areas

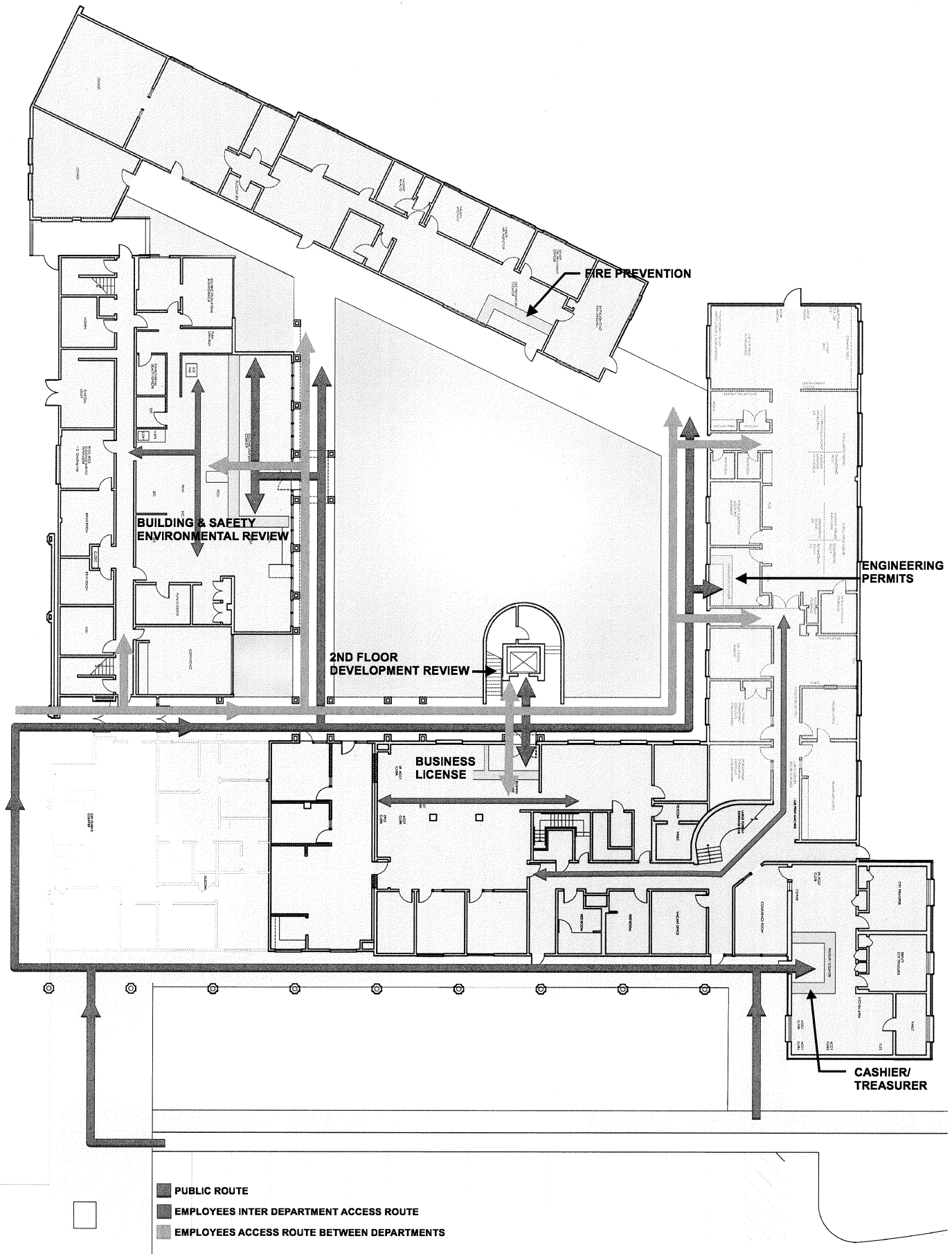
Comments: Consolidated permit areas result in an increase in public traffic without adequate counter space or public work areas. Cashier (Treasurer's office) functions remain unchanged with public required to exit the building to access these areas. Support staff and documents remain in existing areas, not adjacent to counter areas. No public computer access areas.

**Plan B** \$1.8 million

- Lobby and public areas properly sized for increased public traffic
- Public computer access provided in lobby area
- Cashier (Treasurer) functions integrated into the permit center
- ADA compliant restrooms relocated to allow for increased public areas

Comments: Off counter support personnel remain distributed throughout various building. Access to the counter areas from these other support personnel remains inefficient with increased response times for off counter staff. Files and documents are not centralized to best support the public counter and City use. The current Building and Safety area remains unchanged with poor access for support personnel to the public counter.

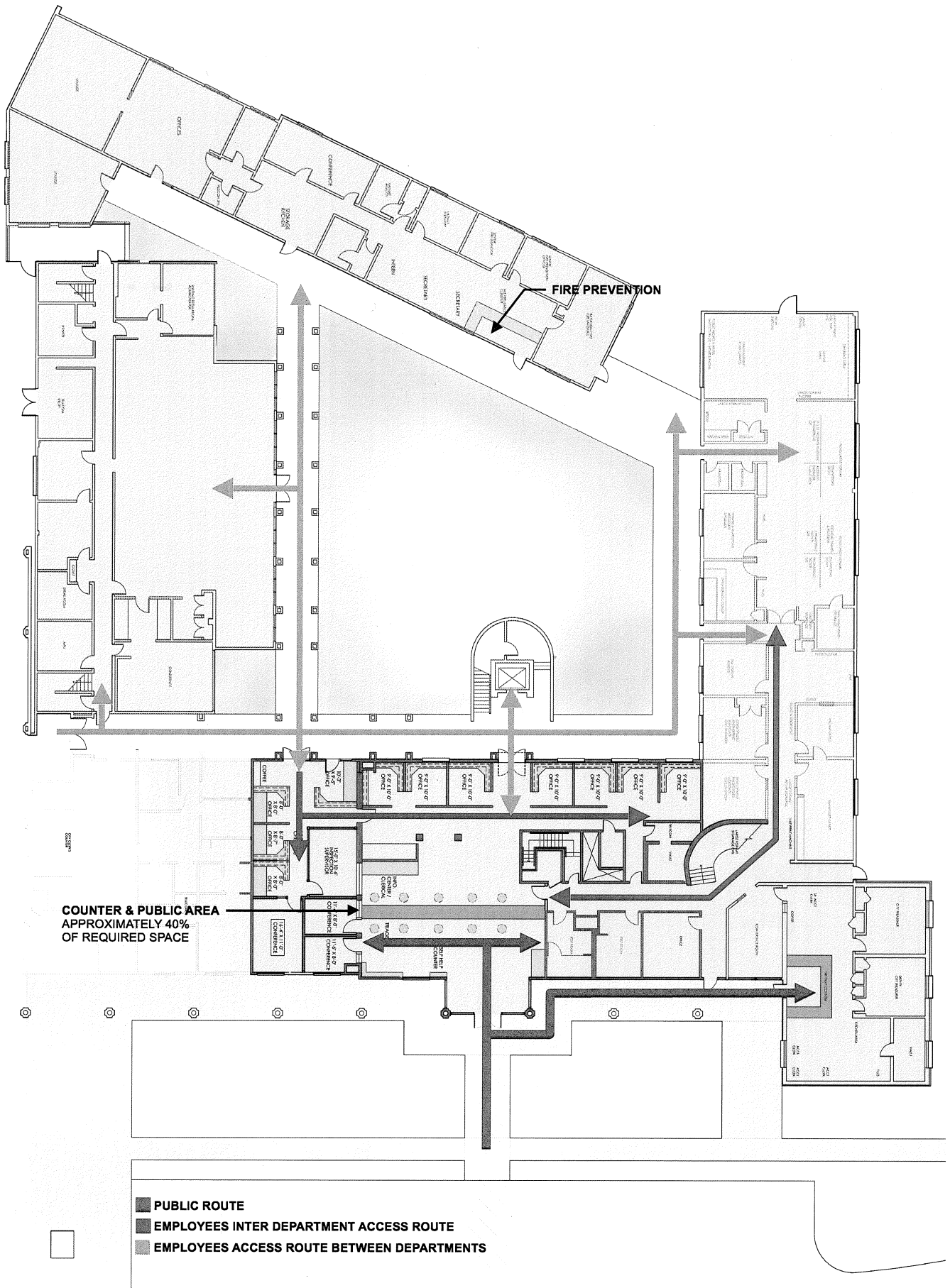




**TORRANCE CITY HALL EAST  
RENOVATION PROJECT**

**EXISTING  
FLOOR PLAN**



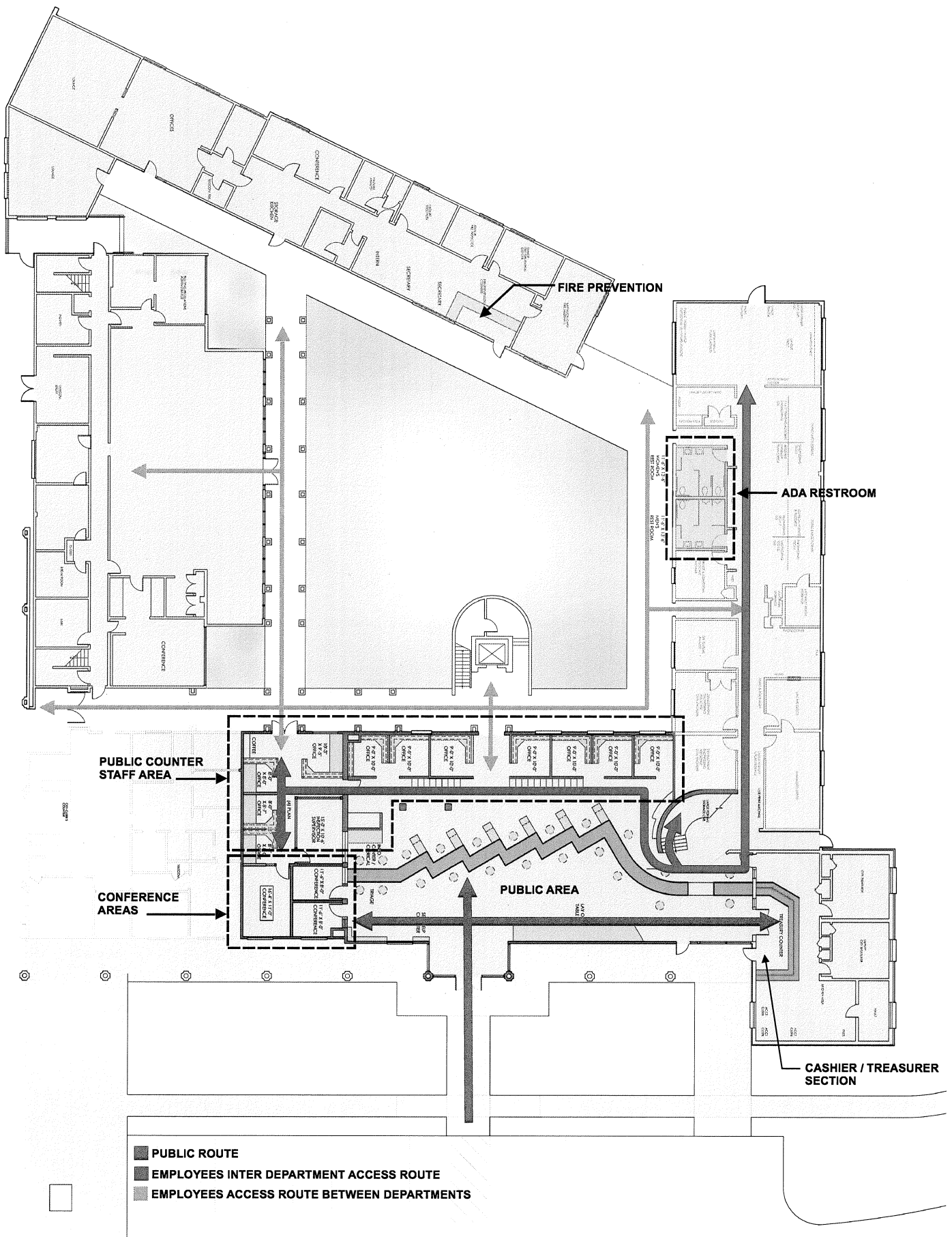


**TORRANCE CITY HALL EAST  
RENOVATION PROJECT**

## **OPTION "A"**

### **FLOOR PLAN**





## PERMIT CENTER IMPLEMENTATION SCHEDULE

ID	Task Name	2007			2008												2009	
		Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	
1	DESIGN AND REVIEW	<div></div>																
2	BID/CONSTRUCTION	<div></div>																
3	IMPLEMENTATION	<div></div>																

Honorable Chair and Members  
of the Finance and Governmental Operations Committee  
City Hall  
Torrance, California

**Subject: Community Services Department – Appropriate funds for the development of the Lomita Right of Way Open Space.**

**Expenditure: \$500,000**

**RECOMMENDATION**

The Acting Community Services Director recommends that the Finance and Governmental Operations Committee appropriate \$500,000 from the Capital Projects Fund to be used for the development of open space between Anza Avenue and Kathryn Avenue where Lomita Boulevard ends to the west.

**Funding**

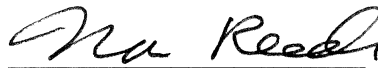
Funding is available in the General Fund Year-End 06-07 Carryover.

**BACKGROUND/ANALYSIS**

In May of 2007, City Council approved the use of \$200,000 of carryover funds for the development of the Lomita Right-of-Way property between Anza Avenue and Kathryn Avenue into a green space/trail. Proposed improvements include turf, a walking path with security lighting, park benches, a drinking fountain, low maintenance landscaping, fitness equipment, a small picnic shelter, and a tot-lot. In addition, the proposal includes a hard barrier to block vehicular traffic from Lomita Boulevard. The Department is anxious to begin the project by soliciting public input and integrating their ideas into a park development plan.

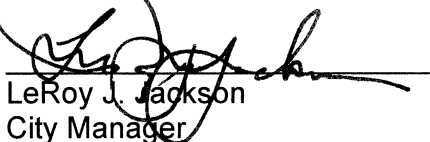
The current estimate for this project is \$700,000, not including park maintenance staff. This estimate includes the cost of a landscape architect, as well as project management and construction costs. The total acreage for this proposed green space is 1.2 acres.

Respectfully submitted,



Norm Reeder  
Acting Community Services Director

CONCUR:



LeRoy J. Jackson  
City Manager

**Finance Director's Note:**

If the funding for this project is approved, the General Fund carryover monies will be swapped with Proposition 40 restricted monies from McMaster Park (FEAP #337) because Proposition 40 funds will expire if not used by 2010.

Eric E. Tsao

Honorable Chair and Members  
of the Finance and Governmental Operations Committee  
City Hall  
Torrance, California

**Subject: Community Services Department – Approve an appropriation of \$220,000 for the Wilson Park Maintenance and Storage Building project (FEAP 340).**

**RECOMMENDATION**

The Acting Community Services Director recommends that the Finance and Governmental Operations Committee approve an appropriation of \$220,000 to the renovation of the Wilson Park Maintenance and Storage Building (FEAP 340).

**Funding**

Funding is available in the General Fund Year-End 06-07 Carryover.

**BACKGROUND/ANALYSIS**

The Community Services Department requests that additional funding be added to the Wilson Park Maintenance and Storage Building project. These additional funds are needed now as the design process has been completed and approved, and the General Services Department is ready to go to bid on the project. By going to bid in the winter months, this will lessen the impact to the programs and activities at Torrance's busiest park, and will prevent the project from conflicting with summer programming.

The funding sources for this project include Parks and Recreation Open Space Funding and Proposition A grant funds. The Proposition A funds are unspent and unallocated from the Benstead Plunge and the Wilson Park Sports Center projects.

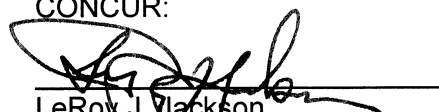
<b><i>Proposed Funding Strategy</i></b>	<b><i>Amount</i></b>
Parks and Recreation Open Space Funding	\$300,000
Proposition A Grant Funds**Pending LA County Approval	\$224,571
Recommended Appropriation—General Fund Year-End 06-07 Carryover.	\$220,000
<b>Total Project Budget</b>	<b>\$744,571</b>

Respectfully submitted,



Norm Reeder  
Acting Community Services Director

CONCUR:



LeRoy J. Jackson  
City Manager

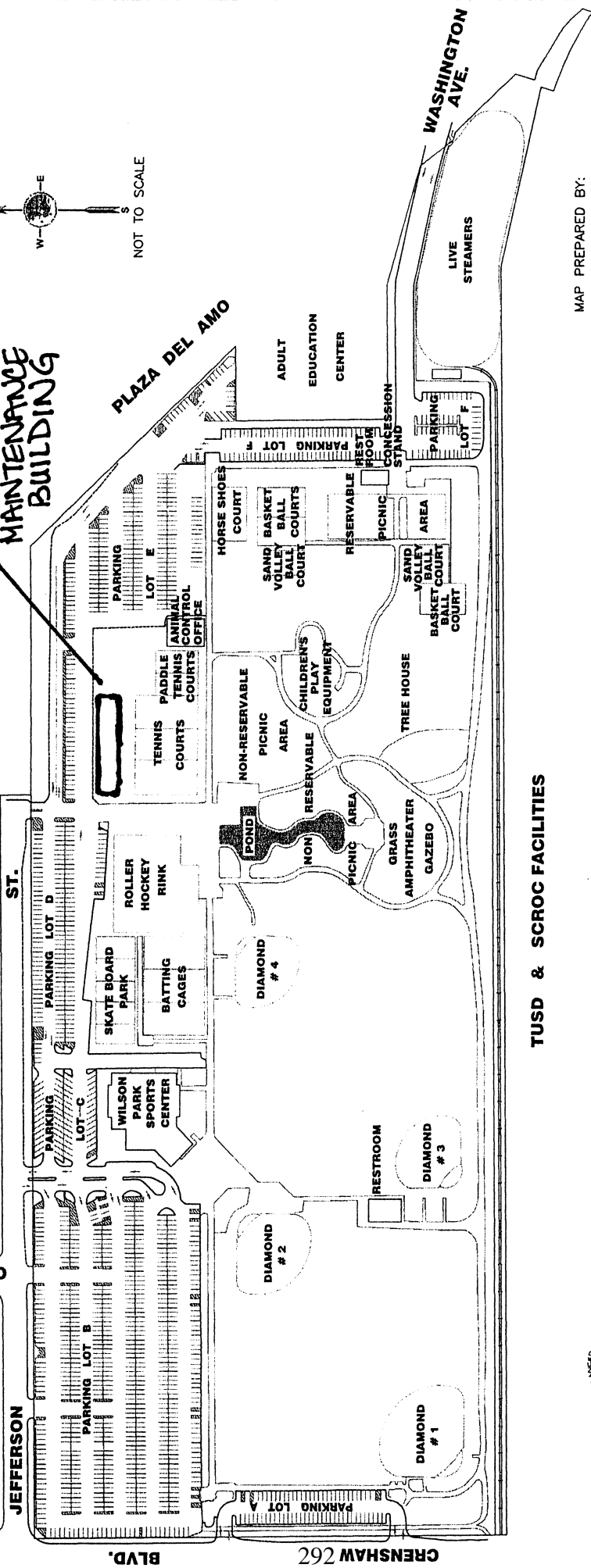
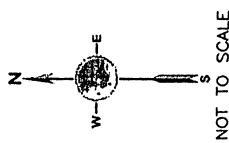
**Finance Director's Note:**

If the funding for this project is approved, the General Fund carryover monies will be swapped with Proposition 40 restricted monies from McMaster Park (FEAP #337) because Proposition 40 funds will expire if not used by 2010.

Eric E. Tsao

# CHARLES H. WILSON PARK 2200 CRENSHAW BLVD.

WILSON PARK  
MAINTENANCE  
BUILDING



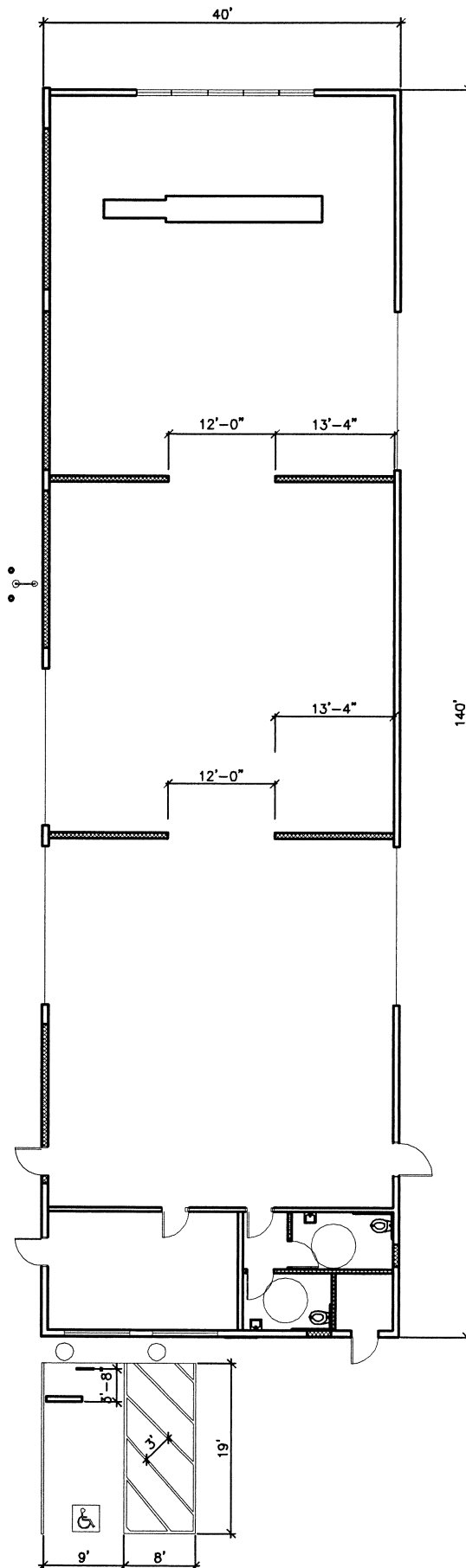
## TUSD & SCROC FACILITIES

MAP PREPARED BY:



COMMUNITY DEVELOPMENT DEPARTMENT  
JEFFERY W. GIBSON  
COMMUNITY DEVELOPMENT DIRECTOR

**Wilson Park Maintenance Bldg  
Floor Plan**





Honorable Chair and Members  
of the Finance and Governmental Operations Committee  
City Hall  
Torrance, California

**Subject: Community Services Department – Approve the addition of \$170,000 to the Branch Libraries–Replace Stacks project (FEAP 623).**

**RECOMMENDATION**

The Acting Community Services Director recommends that the Finance and Governmental Operations Committee approve the addition of \$170,000 to the Branch Libraries–Replace Stacks project (FEAP 623).

**Funding**

Funding is available in the General Fund Year-End 06-07 Carryover.

**BACKGROUND/ANALYSIS**

The Community Services Department requests to add \$170,000 to the shelving budget for the Branch Libraries–Replace Stacks. This budget was created based on costs for the Upper Level Remodel of the Katy Geissert Civic Center Library and an estimate of branch needs at the time. The additional funds will allow for earthquake safe library shelving and maximize space planning for the future. The additional funding will allow all of the branch libraries to be completed as planned; without the new funding one library would not be completed under this project due to rising costs.

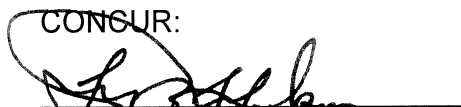
<b><i>Proposed Change</i></b>	<b>Amount</b>
General Fund 05-06 Carryover	\$450,000
General Fund Year-End 06-07 Carryover.	\$170,000
<b>Total Project Cost</b>	<b>\$620,000</b>

Respectfully submitted,



Norm Reeder  
Acting Community Services Director

CONCUR:



LeRoy J. Jackson  
City Manager

Honorable Chair and Members  
of the Finance and Governmental Operations Committee  
City Hall  
Torrance, California

**Subject: Community Services Department – Appropriate funds to provide for turf improvements at various City parks.**

**Expenditure: \$170,000**

**RECOMMENDATION**

The Acting Community Services Director recommends that the Finance and Governmental Operations Committee appropriate \$170,000 to be used for specialized turf maintenance at City parks.

**Funding**

Funding is available in the General Fund Year-End 06-07 Carryover.

**BACKGROUND/ANALYSIS**

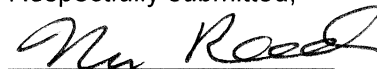
The Community Services Department requests the addition of \$170,000 to the Park Services Division budget for the turf improvements at City parks. The funding is needed to provide large-scale turf enhancements such as:

- de-thatching (thinning out of ingrown grass areas)
- aeration of the soil
- field leveling
- over-seeding
- top-dressing

The proposed specialized maintenance was performed in the past on an annual basis when the Park Services Division had the necessary resources. When resources diminished, parks were addressed on an as-needed basis. In response to the public's active use of the City's park system, funding for specialized turf maintenance is needed at this time to implement the program over the winter months. Scheduling this maintenance in the winter lessens the impact to non-profit user-groups and our own youth sports programs while the parks being maintained are unavailable for use.

It must be noted that due to the high costs of these specialized services, only a limited number of parks will be completed each year. A schedule of service will be developed based on an evaluation of condition of the City's parks as a whole. Each park will require a different level of service based on the condition of the turf. Staff suggests that the parks with the highest levels of use be addressed first, as they are most in need at this time.

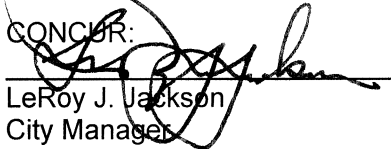
Respectfully submitted,



Norm Reeder

Acting Community Services Director

CONCUR:



LeRoy J. Jackson  
City Manager

Honorable Chair and Members  
of the Finance and Governmental Operations Committee  
City Hall  
Torrance, California

**Members of the Finance and Governmental Operations Committee:**

**SUBJECT: Authorization to appropriate additional funding for Police  
Department Communications Electrical Upgrades. Expenditure  
\$300,000.**

**RECOMMENDATION**

The General Services Director recommends the Finance and Governmental Operations Committee authorize additional appropriation of \$300,000 for the upgrade of Police Department Communications Electrical System FEAP 567.

**FUNDING**

Funding is available from the General Fund year end carryover.

**Background/Analysis**

The Police Department submitted and received approval for the project to upgrade the Police Department Communications area by replacement of the existing UPS system (Uninterrupted Power Supply) with a larger model. The original scope of work included only a replacement of the current UPS (uninterrupted power supply) systems and was established using the limited information available before a detailed engineering survey was completed of the Police and Fire call center needs. The initial budget for this project was \$100,000. The intent of the upgrade is to modernize backup and emergency power systems for all communications area equipment to include the communications area, critical computer systems and emergency power systems.

Currently a single power source, small UPS system and single transfer switch for backup generators supplies power to communication and computer equipment elements within the Police Department. This is the primary system for Police and Fire emergency communications including the 9-1-1 call system. The existing system cannot be maintained without shutting down emergency back up systems, as a

redundant emergency power source does not currently exist. An upgrade of the Police Department communications, computer and emergency power systems is necessary to ensure power remains available to key 9-1-1 communications equipment and other Police Department systems in the event that Southern California Edison power is lost.

The proposed system will provide a Tier IV infrastructure automatic backup power consisting of redundant power paths and redundant components for key areas. A Tier IV system allows for scheduled system maintenance and also adds dual power distribution paths from multiple transfer switches, distribution panels, UPS and emergency generators. The Tier IV infrastructure is the highest level available to provide over 99.99% availability for critical equipment.

An engineering study and design of the proposed emergency power system was recently completed from which more accurate estimates have been received from contractors specializing in this area of work. Based on these estimates, the estimated cost of the project is now \$400,000 including design, contingency and project management fees.

The General Services Director recommends the Committee appropriate additional funding in the amount of \$300,000 to continue with upgrades to key electrical components of the Police and Fire Communication system.

Respectfully submitted,

Sheryl Ballew  
General Services Director



By Jon Landis  
Facility Services Manager


CONCUR:



Sheryl Ballew  
General Services Director



John Neu  
Chief of Police



Leroy J. Jackson  
City Manager

Honorable Chair and Members  
of the Finance and Governmental Operations Committee  
City Hall  
Torrance, California

**Subject: General Services Hazardous Waste Program – Approve the appropriation of additional funds to FEAP 445 to bring City underground tanks and related systems into compliance with local, state and federal regulations.**

### **RECOMMENDATION**

The General Services Director recommends that the Finance and Governmental Operations Committee approve an additional appropriation of \$594,000 to complete various underground storage tank projects required by local, state and federal laws.

### **Funding**

Funding is available in the FY 2006-2007 General Fund Year-End Carryover and the Transit, Sanitation and Water Funds; these funds will supplement the existing FEAP 445.

### **BACKGROUND/ANALYSIS**

The General Services Department's Hazardous Waste Program is undertaking various projects to modify and upgrade the City's underground storage tanks and related systems to meet local, state and federal requirements. In FY 2004-05, FEAP 445 was funded with \$146,000 to complete some of this work; since that time additional requirements have been legislated, increasing the funding necessary to bring the City into compliance.

Now to be included in FEAP 445 are five (5) projects:

- Installation of Enhanced Leak Detection (ELD) systems on the City Services and Transit fueling facilities. Estimated costs: \$120,000
- Installation of Enhanced Vapor Recovery Stage II (EVRII) systems on the gasoline dispensing systems at City Services, Transit and the Airport. Estimated costs: \$220,000
- Removal of existing underground lubricant and waste oil tanks and replacement thereof with aboveground vaults at City Services and Transit and removal of fuel tanks at Fire Stations #2 and #6. Estimated costs: \$250,000
- Functional modifications to underground tanks and fueling systems at City Services, Airport and Fire Station #6. Estimated costs: \$110,000
- Replacement of tank and component monitoring systems at Fire Stations #3, #4, #5. Estimated costs: \$40,000

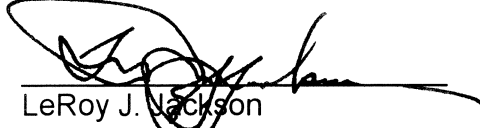
The mandated projects identified above have requirements for completion dates by early 2009. The additional funding in the amount of \$594,000 will allow us to complete the projects in a timely manner to comply with local, state and federal laws. The chart below shows project costs apportioned by fund:

	<u>Total Project Costs</u>	<u>Existing FEAP 445</u>	<u>Funding Requested</u>
General Fund	\$ 315,000.00	\$ 48,600.00	\$ 266,400.00
Transit Fund	\$ 240,000.00	\$ 24,260.00	\$ 215,740.00
Airport Fund	\$ 66,000.00	\$ 66,000.00	\$ -
Sanitation Fund	\$ 97,000.00	\$ 4,200.00	\$ 92,800.00
Water Fund	\$ 22,000.00	\$ 2,940.00	\$ 19,060.00
TOTAL	\$ 740,000.00	\$ 146,000.00	\$ 594,000.00

Respectfully submitted,

  
Sheryl Ballew  
 Sheryl Ballew  
 General Services Director

CONCUR:

  
LeRoy J. Jackson  
 City Manager

Honorable Chair and Members  
of the Finance and Governmental Operations Committee  
City Hall  
Torrance, California

**Subject: General Services and Transit – Approve appropriation for the purchase and installation of *FuelFocus*™ fuel management system at the City's three (3) fuel dispensing sites**

### **RECOMMENDATION**

The General Services Director and Transit Director recommend that the Finance and Governmental Operations Committee approve the appropriation of \$221,600 for the purchase and installation of the "*FuelFocus*™" fuel management system at the Torrance Airport, the Transit Department fuel island, and the City Services fuel island.

### **Funding**

Funding in the amount of \$130,000 is available from the General Fund year-end carryover. Funding for the Transit Department's portion of the project in the amount of \$91,600 is available in FTA Capital Grant # CA-90-Y394.

### **BACKGROUND/ANALYSIS**

The City's two current fuel management systems require replacement and modernization. For a number of years staff has struggled with managing two separate fuel systems. Transit has used the *RNI*™ system, and Fleet Services have used the *EJ Ward*™ system. Both of these systems have proven unreliable and problematic, and neither provides a critically-needed direct interface with the City's fleet management software system (*FleetAnywhere*™).

The City has successfully used Maximus' *FleetAnywhere*™ fleet management software for over fifteen years. A number of years ago Maximus began offering a fuel management system module (*FuelFocus*™) as an available option to *FleetAnywhere*™. By implementing this program (and associated hardware at the fuel islands), all fuel management information would be linked in real-time to our fleet database, which is hosted and maintained off-site at Maximus' corporate headquarters (ASP connection). The main advantage of having only one fleet and fuel management system is that countless hours of staff time would be saved by avoiding redundant data entries into three separate software systems (*RNI*™, *EJ Ward*™, and *FleetAnywhere*™). By consolidating these systems into one, vehicle fuel use data is maintained in each individual vehicle history file, along with all other important maintenance and operational information about the vehicle or item of equipment.

Among a number of useful features, *FuelFocus*™ provides wireless (RF) fuel transaction authorization that staff plans to utilize for the Transit and Police fleet. This feature allows the vehicle operator to pull up to the fuel island and dispense fuel without the need to insert an authorization card. All required information (vehicle number, current odometer reading, gallons dispensed) is automatically collected through the use of a wireless sensor installed onto the vehicle's fuel tank neck. The operator simply places the fuel nozzle into the fuel neck of the vehicle, and immediately begins to pump fuel. The operator is able to complete the fuel transaction much quicker, and the transaction data is immediately sent to the vehicle file for future billing purposes, for fuel economy analysis by maintenance personnel, and for other historical purposes.

There are a number of large government fleets using *FuelFocus*™. Staff contacted the agencies listed below and all provided very positive feedback on the product.

City of Riverside, CA  
Martin Bowman  
Fleet Operations Manager

City of Spokane, WA  
Gene Jakubczak  
Fleet Manager

King County Transit Authority, WA  
Brent Bertsch  
Transit Maintenance Manager

City of Santa Monica, CA  
Melody Shepherd  
Administrative Analyst

A detailed breakdown of project costs is as follows:

<b>Cost Breakdown Proposed <i>FuelFocus</i>™ Project</b>	<b>Amount</b>
City Services & Airport Fuel Islands	\$99,144.00
Transit Fuel Island	\$86,406.00
Electrical Prep for all 3 sites	\$23,000.00
In-House CIT Work (LAN wiring)	\$2,500.00
Sub-Total	\$211,050.00
5% Project Contingency	\$10,550.00
Grand Total for Project	<b>\$221,600.00</b>
<b>Transit Funding (FTA Grant)</b>	<b>\$91,600.00</b>
<b>General Fund Carryover</b>	<b>\$130,000.00</b>

Respectfully submitted,

Sheryl Ballew  
General Services Director

  
David K. Winnett, Jr.  
Fleet Services Manager

CONCUR:

  
Sheryl Ballew  
General Services Director

  
Kim Turner  
Transit Director

  
LeRoy J. Jackson  
City Manager

**Finance Director's Note:**

The dispensing sites should have a useful life expectancy of 10-15 years.

Eric E. Tsao



Honorable Chair and Members  
of the Finance and Governmental Operations Committee  
City Hall  
Torrance, California

**Subject: Request Funding for ADA to Conduct an Access Compliance Survey of City Facilities.**

**Expenditure: \$60,000 (One-Time)**

**RECOMMENDATION**

The Human Resources Director recommends that the Finance and Governmental Operations Committee approve \$60,000 in one-time funding for access compliance surveys of City facilities and consulting services in connection with compliance under Title II of the Americans with Disability Act.

**Funding**

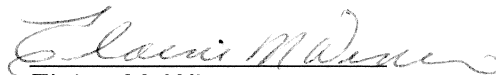
Funding is available in the 2006-07 General Fund Carryover.

**BACKGROUND/ANALYSIS**

The Americans with Disabilities Act became law in 1990. Thereafter, the City completed a Facility Compliance Survey approximately fifteen years ago. Since then, a number of City facilities have been added or modified, and because the last survey was conducted many years ago, a new survey is needed in order to review improvements as well as provide a roadmap for further ADA compliance.

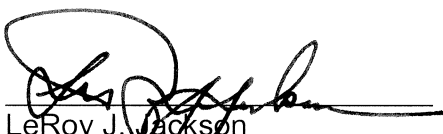
Funding of \$20,000 was placed in the 2007/08 Liability Program Budget for ADA Compliance. The estimated cost to complete an assessment of City facilities, prepare transition plans and provide additional consulting is estimated to cost \$80,000. Therefore an additional \$60,000 in funding is necessary.

Respectfully submitted,



Elaine M. Winer  
Human Resources Director

CONCUR:



LeRoy J. Jackson  
City Manager

Honorable Chair and Members  
of the Finance and Governmental Operations Committee  
City Hall  
Torrance, California

**Subject: Human Resources – Approve a capital project to retrofit the Police  
Department Building for ADA accessibility**

**Expenditure: \$170,000**

**RECOMMENDATION**

The Police Chief recommends that the Finance and Governmental Operations Committee approve a \$170,000 capital project for the retrofit of the Police Department building for ADA accessibility, funded by 2006-07 General Fund Carryover.

**Funding**


Funding is available from the 2006-07 General Fund Carryover.

**BACKGROUND/ANALYSIS**


The Police Department Facility at 3330 Civic Center Drive is not fully accessible to the disabled. In September 2007, a Site Assessment Report was completed by National Access Consultants, LLC, a firm that specializes in assessing the degree to which facilities, programs, services and activities are accessible to and usable by persons with disabilities. The assessment included both the building as well as adjacent parking. Modifications estimated to cost approximately \$170,000 are recommended.

The modifications to the Police Department Facility will make the building, including restrooms, common areas, interview and booking rooms as well as the jail more fully accessible to the disabled.

Respectfully submitted,

  
Elaine M. Winer  
Human Resources Director

CONCUR:

  
LeRoy J. Jackson  
City Manager

**(THIS PAGE LEFT INTENTIONALLY BLANK)**



October 25, 2006

COMMITTEE MEETING  
November 06, 2007

Honorable Mayor and  
Members of the City Council  
City Hall  
Torrance, California

VIA: Council Finance and Governmental Operations Committee

The Treasurer's Office and the Investment Advisory Committee have set out to develop and implement investment procedures that insure the City's investment objectives of a high degree of asset safety, an adequate liquidity to meet operating and capital expenditure needs and a reasonable return of the City's investment assets given the City's foremost goals of safety and liquidity.

### **Investment Summary**

As of September 30, 2007 total investments of \$302.1 million consisted of the following categories:

1) Pooled Funds (Investment Portfolio)	\$ 166.1 million
2) Restricted Funds:	
a. Debt issue proceeds	\$ 10.8 million
b. Deferred Compensation	
1) 457	\$ 115.7 million
2) 401(a)	\$ 4.4 million
c. Retirement Health Savings plan	\$ 3.4 million

The pooled Funds consist of surplus funds invested and managed directly by the City Treasurer. To date the fund has generated year-to-date interest earnings of \$2.0 million and the effective rate of return equaled 4.70 %.

The restricted funds, made up of the Debt issue proceeds, Deferred Compensation funds and the Retirement Health Savings Plan are invested accordingly:

- 1) Debt issue proceeds are invested through a trustee appointed under the Debt Trust Indenture. The funds are invested at the direction of the City Treasurer.
- 2) Deferred Compensation fund is managed by a third party administrator - Great West Life. Investment options made available to the participants are selected and approved by the Deferred Compensation Committee. The fund is a self-

directed program. Participants have the ability to direct their contributions among several different investment options.

- 3) The Retirement Health Savings Plan is managed by a third party administrator – ICMA Retirement. Investment Options are made available to the participants and are selected by ICMA Retirement. Participants can direct their contributions among several different investment options.

**NOTE:** The Deferred Compensation Plans and the Retirement Health Savings Plan are held in Trust for the benefit of the Participant or their Beneficiaries and is not an asset of the City of Torrance.

### **Investment Forecast**

The Federal Reserve Board has eased rates by 50 basis points (bps) at the last Federal Open Market Committee (FOMC) meeting bringing the Fed Fund Rate to 4.75%. What does this mean to rates across the short and intermediate curve? We would expect to see lower rates along the yield curve; however the decrease should be most noticeable on the short end of the curve. The FOMC will meet again in October and it will be interesting to see if they continue to stay the course or continue to ease. The determining factor is based on whether the economy is in a position to maintain a steady pace of expansion. Economic recoveries are measured on consistent growth from more than one indicator; however, decisions to ease have been driven by the housing industry and the foreclosure concerns.

### **GASB 31 Impacts on Investments**

GASB 31 took effect June 1997. The intent of GASB 31 is to bring to light potential liquidity problems by requiring municipalities to mark to market their securities with a maturity greater than one year. This paper gain or loss must be booked against investment earnings at year-end.

One way to avoid the gain/loss issue is to limit all purchases to maturities of less than one year. This condition would then preclude a market valuation and allow investments to be carried on a book value basis. This situation could reduce earnings potential in the loss of yield that a security with a longer term would usually offer.

Within our investment policy we adhere to a buy and hold philosophy. Therefore, our current strategy will not change in light of GASB 31. We will continue to invest the portfolio out along the yield curve. At the same time we keep enough liquidity to meet current and future obligations.

At the present time the monthly investment report tracks all securities by listing the face value, book value and market value. The portfolio paper gain or loss is the difference

between book and market value. The unrealized gain/loss is noted monthly even though it is not physically applied to earnings until year-end.

### **Investment Strategy**

For the past three months, the portfolio activity consisted of purchases of \$82.7 million and redemptions of \$79.9 million. For every security that matured, it has been replaced by a purchase of a new security.

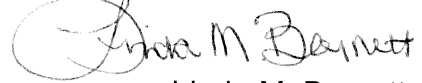
Beginning in mid-December the investment portfolio should begin to increase due to the collection of Property tax, business license fees and occupancy tax. This is when the investment activity will pick up. Currently, the yield curve has widened and with the potential of the Fed's continuing to cut the Fed Funds rate, we expect to see a lower rate of return. However, our strategy will remain the same by investing in the 2-5 year range.

To be consistent with the City's objectives of high degree of Asset safety, all investments will be invested in high quality rated instruments or those guaranteed by the "full faith and credit" of the government.

### **Recommendation**

Accept and file the 1<sup>st</sup> Quarter Report.

Respectfully submitted,



Linda M. Barnett  
City Treasurer

CONCUR:

  
LeRoy L. Jackson  
Investment Committee Member

**(THIS PAGE LEFT INTENTIONALLY BLANK)**







